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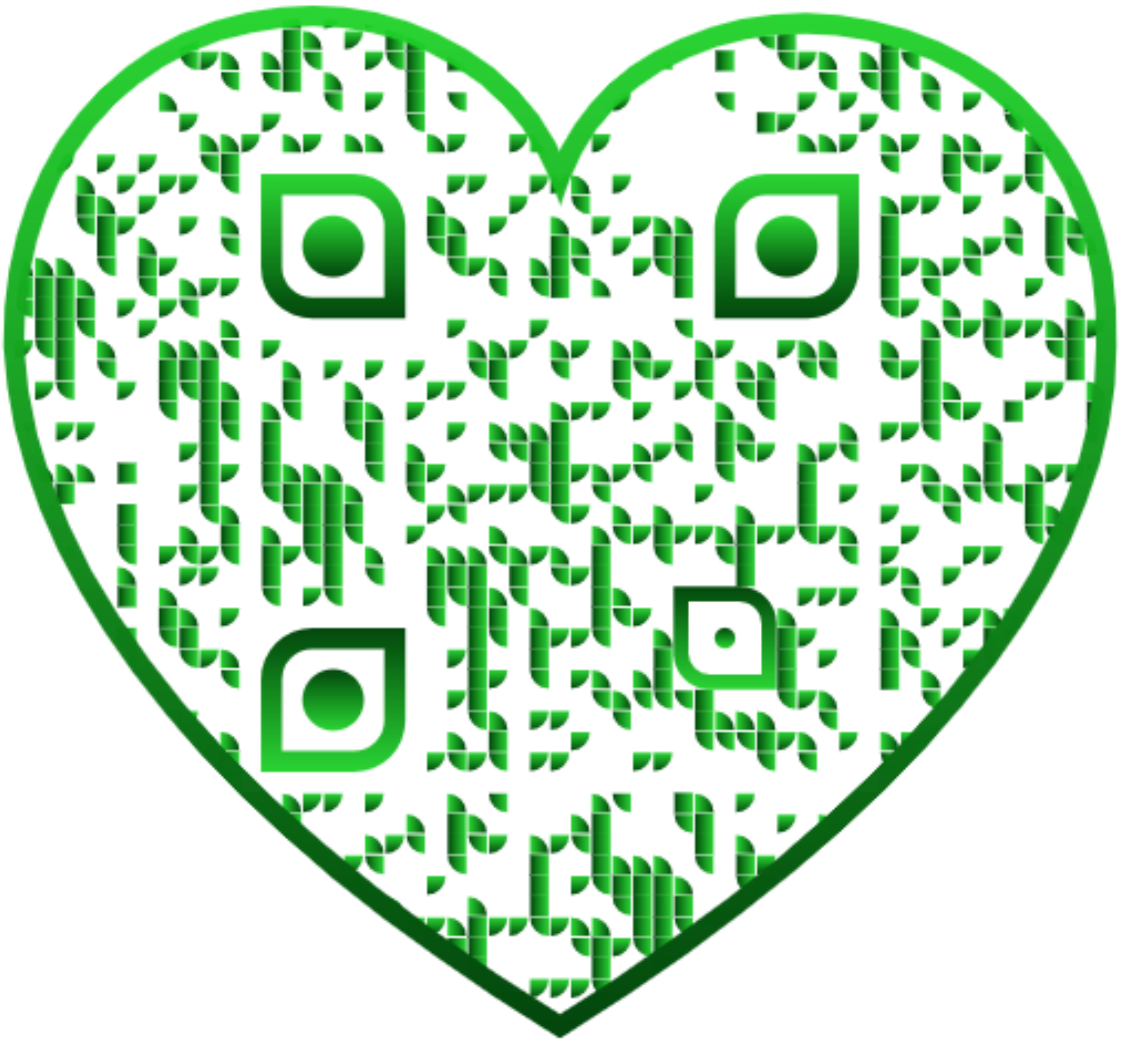

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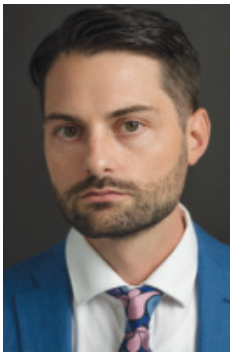

It's hard to believe we are already halfway through the year. I think we can all forgive ourselves for being a bit distracted and having a few months this year slip away - we went from tax season to elections, and have had the tariff drama hanging over our heads for what feels like a year on its own. The months of May and June often feel like a period of transition, from the heads-down hustle of the first half of the year into a bit more of a laid-back summer season. That is why it is a great time to do a bit of a mid-year checkup. It's an opportunity to take stock of how the first half of the year has progressed, and what needs to be done, if anything, for the second half. It's also a chance to ensure things remain 'in order', to allow you to relax a bit more over those hot summer months that are around the corner. For the June issue, we are covering topics to help you with both a financial and mental mid-year check-up!

In this issue, Dr. Maura Ferguson, a new contributor to MoneySaver, discusses the behavioural and psychological side of money. Just like how your physical health requires a connection between mind and body, your financial health also demands strong mental health. Dr. Maura helps us to get in touch with the psychological side of our personal finances. Also here to help with the mid-year check-up, Julie Petrera provides an overview of tax-loss selling and some of the rules to keep in mind. There's a common misconception that tax-loss selling is supposed to be done at year end, but there is no reason this can't be done throughout the year. Why not avoid rushing in a bunch of sales at year-end alongside everyone else?

You may have noticed that amid all of the tariff turmoil, European defence stocks have been having a bit of a run, and Richard Morrison highlights some of the names operating in this space. Staying on the topic of investing, Rita Silvan looks at the pros and cons of investing in alternative funds and gives an overview of the asset class.

Finally, mid-year is a great time for business owners to do a review of their operations and see how things are progressing relative to the plan. So, in this issue, we have reserved a good deal of space for the business owners. Jason Heath takes a tax perspective and looks at the topic of preparing for year-end, Laura Harvey discusses some of the investment and tax benefits to having a corporation, and Nancy Grouni gives us an overview of some potential tax changes in the pipeline with the newly formed government that could impact businesses and individuals alike.

There's lots to cover in the June issue before the summer is here, so sit back, start getting into relaxation mode, and enjoy the latest issue of *Canadian MoneySaver*!

Ryan

Ryan Modesto. CFA
Canadian MoneySaver

MoneySaver DIVIDEND & COMPANY NEWS

In this column we list recent news, events, dividend income news and any other relevant information for *MoneySavers*. News items are those received after our last publication date. Please go to **https://www.5iresearch.ca/dividend-updates** for a more comprehensive list of dividend updates.

- Canadian Pacific Kansas City (CP) raises dividend by 20%
- Thor Exploration (THX) initiates its first-ever dividend at $0.0125 per share
- AGF Management (AGF.B) raises dividend by 8.7%
- Dollarama (DOL) raises dividend by 15%
- Pine Cliff Energy (PNE) cuts dividend by 75%
- GFL Environmental Inc. (GFL) raises dividend by 10%

Canadian MoneySaver MODEL ETF PORTFOLIO

ETF	SYMBOL	CATEGORY	PRICE	# OF UNITS	TOTAL	% OF PORTFOLIO
iShares 1-5 Year Laddered Corporate Bond	CBO	Fixed Income	18.43	506	9,325.58	3.8%
iShares DEX Universe Bond	XBB	Fixed Income	28.46	280	7,968.80	3.3%
iShares S&P/TSX Canadian Preferreds	CPD	Fixed Income	12.28	738	9,062.64	3.7%
iShares S&P/TSX Capped Composite	XIC	Equity: Canada	39.66	740	29,348.40	12.1%
iShares S&P/TSX Cdn. Div Aristocrats	CDZ	Equity: Canada Div.	35.44	613	21,724.72	8.9%
iShares U.S. High Yield Bond Index ETF	XHY	Fixed Income	16.45	350	5,757.50	2.4%
Vanguard FTSE Emerging Markets Index	VEE	Equity: Emerging	37.51	375	14,066.25	5.8%
Vanguard FTSE Developed Europe All Cap	VE	Equity: Interntional	39.27	304	11,938.08	4.9%
SPDR S&P 500	SPY	Equity: U.S.	554.54	41	32,967.40	13.6%
Vanguard US Dividend Appreciation Index	VGG	Equity: U.S. Div.	89.37	217	19,393.29	8.0%
iShares Russell 2000 Growth	IWO	Equity: U.S. Growth	253.55	57	20,955.91	8.6%
BMO Covered Call Utilities	ZWU	Equity: N.A. Div	11.07	604	6,686.28	2.7%
Vanguard Information Technology Index	VGT	Equity: U.S	549.45	30	23,901.08	9.8%
Consumer Discretionary Select Sector SPDR	XLY	Equity: U.S	197.26	76	21,738.05	8.9%
Cash	**Cash**	**Cash**			**8,306.74**	**3.4%**
Total Portfolio					**243,140.72**	

Exchange Rate	1.45	$ Gain/(Loss):	143,140.72
Inception value:	100.000.00	% Gain/(Loss):	143.14%
Inception date:	October 18. 2013	% Annualized:	8.00%

Prices are at market close on April 30, 2025.
Individual prices are in USD$. Portfolio values, $Gain/(Loss), % Gain/(Loss), % Annualized all reflect USD$ values are converted to CAD$
Returns include foreign exchange gains/losses
Current notes: Added a 1.5% position of XLY as of December 31, 2024 market close.
"Other notes: Keep in mind all investors are different. This portfolio is designed as a guide in setting up your own personal portfolio. Unique considerations and adjustments need to be made to reflect your personal situation. Please perform your own due diligence before making investment decisions. For use by Canadian MoneySaver subscribers only. Not for redistribution."
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The Hidden Forces Behind Your Money Habits

Dr. Maura Ferguson

For the most part, we are aware of what we should do with money—save regularly, spend wisely, and avoid debt when possible. This is particularly true for people who read *Canadian MoneySaver* magazine. But if you've ever made a purchase you regretted, avoided opening your credit card bill, felt a wave of anxiety after looking at your bank balance, or hesitated to buy or invest in something you need, you've probably already sensed that money isn't just about math—it's about emotion, memory, and identity.

As a psychologist, I see it all the time: people trying to change their money habits with willpower alone, without first understanding the deeper patterns shaping their behaviour. If money is a language, many of us are speaking it fluently without ever learning its grammar. We know how we spend, but we don't always understand why.

This matters. Because until you start to make sense of your money habits, it's hard to see all the options available to you and to truly change them. Real, lasting change almost always begins with curiosity.

1. Your Early Environment Still Echoes

Is money the final taboo? Whether money was talked about openly in your home—or never mentioned at all—you absorbed a set of emotional cues about what money means. Maybe it was something that caused stress or tension. Maybe it was tied to success or self-worth. Maybe it was used to control or reward. These emotional associations don't disappear just because we grow up.

They often show up in quiet but powerful ways: the urge to overwork, the fear of losing what you've saved, or the discomfort that creeps in when you spend on yourself. These are not random quirks. They are echoes of earlier experiences that shaped your sense of security, agency, and value and have become schema or assumptions that you operate on without noticing. They are the air you breathe.

Start by thinking about what money meant in your family growing up. Was it ever used to express love? Withheld as punishment? Was it a source of anxiety or pride, shame or boastfulness? Even a few moments of reflection can uncover the root of patterns that feel "stuck" in adulthood.

2. Spending as a Way to Feel Something (or Nothing)

We often think of impulsive spending as being the result of a lack of discipline. But more often, it's a way of managing emotions—especially the ones we haven't fully acknowledged or take pains to avoid. Shopping can bring a temporary feeling of control, pleasure, or even connection in moments when we feel low, overwhelmed, or disconnected. And that's not a character flaw. Spending may give us a brief dopamine hit or sense of relief or escape, much like emotional eating or doom-scrolling. The real challenge is recognizing when you're spending not because you need something, but because you're trying to feel something—or avoid something. Although shopping is not necessarily the most sustainable coping mechanism, it does fill a need. When we remove one coping mechanism, we must replace it with a new more adaptive practice to make it a sustainable change.

You might ask: What do I tend to buy when I'm tired, lonely, or anxious? What do I hope that purchase will give me, emotionally? When you start looking at spending through the lens of self-soothing, the behaviour often makes much more sense—and becomes easier to work with. Finding a different coping mechanism to help you regulate your emotions such as working out, socializing or giving back to your community can be a great substitute and can be deeply enriching (pun intended).

3. The Guilt of Wanting More

Not everyone struggles with overspending. For some, the harder part is allowing themselves to spend at all. They feel guilty for wanting more—more comfort, more ease, more beauty, more fun. They downplay their needs, underprice their work, or defer dreams because they've internalized the idea that wanting is selfish or indulgent.

If these people were in a cartoon, they would have an angel on one shoulder and a devil on the other, but the angel would always win and would become so overpowering they might become a bit of a bully, never allowing a splurge or any time or money for pleasure, leading to a miserly and restricted poor quality of life.

This often comes from growing up in environments where there wasn't enough to go around—or where needing things felt like a burden to others. Over time, these feelings can harden into beliefs: *I should make do. I shouldn't ask for too much. I'm fine without it.*

These beliefs can quietly limit your ability to build the life you want. In Britain, there is an expression for this: "penny wise, pound foolish", where opportunities for growth or investment become restricted by the fear or loss of control of money. They keep you in a constant state of scarcity, even when your circumstances change. If you struggle with spending on yourself, try asking: What would it mean to believe I'm allowed to want what I want?

4. Debt and the Secret Economy of Emotion

Debt can carry shame, but it also carries stories. Some people spend to feel free from the expectations of others. Some use debt to maintain an identity they fear losing—of being competent, generous, and successful. For others, debt becomes a kind of secret rebellion or a hidden form of pressure release.

Money doesn't just buy things; it buys feelings—of independence, safety, visibility, even love. When we begin to name the feeling we're trying to buy, we can begin to find other ways to access those experiences.

That's not to say debt is always emotional. Many people fall into debt for reasons entirely outside their control. But for those who find themselves returning to the same patterns again and again, it's worth asking: What emotional need is this filling? And what might I need instead?

5. Avoidance Feels Safer —Until It Isn't

One of the most common patterns I see isn't overspending or underspending—it's avoidance. Ignoring account balances. Postponing financial decisions. Keeping things vague. This makes sense when money has become tangled up with fear or shame. Sometimes, not knowing feels like the only way to stay calm. This is a form of denial that can lead to financial problems that can snowball and spin out of control.

When we talk about money, we're rarely just talking about money. We're talking about how we see ourselves, what we believe we deserve, and how safe or connected we feel in the world.

But avoidance always has a cost. And it usually grows over time. The longer you wait to look, the more overwhelming it feels. The goal isn't to shame yourself into action—it's to build enough emotional safety that you can start facing money with clarity instead of fear.

If this is your pattern, start small. One honest conversation with yourself. You don't have to do everything at once. You just must begin with some baby steps and some deep breathing.

6. Money as a Mirror

When we talk about money, we're rarely just talking about money. We're talking about how we see ourselves, what we believe we deserve, and how safe or connected we feel in the world. Money mirrors our values, wounds, hopes, and fears. This is why changing your money habits often requires more than a new strategy. It requires a new story.

This doesn't mean throwing out your budget or ignoring practical tools. It means adding reflection to the mix. What are your money habits trying to show you about yourself? Where are you still acting out an old script? What would it feel like to live by a new one?

7. From Judgment to Curiosity

When people wonder how to change their relationship with money, I always say: start with curiosity, not control. Sometimes this becomes a clinical issue seeing patients in psychotherapy or psychological assessments in my practice. People will say that they can't afford therapy but then spend a lot of money on shopping and eating out. Others have been taken advantage of by people close to them and express their difficulty trusting or investing in themselves, or valuing themselves by expressing frustration about the cost of therapy. Many people do experience very real difficulty affording mental health treatment, which is unfair and can keep people stuck in existing financial, and emotional patterns. No matter where you are, curiosity is a very good starting point to begin noticing your patterns and assumptions. Before you rush into a new budget or beat yourself up over an old mistake, ask:

- What is this behaviour trying to protect me from?
- What was I feeling before I did this?
- What old message might still be shaping my choices?

Money isn't just about transactions. It's about relationships—especially your relationship with yourself. And like any relationship, it takes patience, honesty, and compassion to make it stronger.

Try This: A Reflective Exercise

To begin building more insight into your money patterns, try writing about these prompts. You may want to write about this to better reflect on your thoughts:

1. What's your earliest memory of money?
2. What messages did you get (spoken or unspoken) about money growing up?
3. How do you tend to behave with money when you're stressed or overwhelmed?
4. What do you find hardest to spend money on? Why?

You might be surprised at what comes up. And you might discover that financial wellbeing isn't just about cutting costs or increasing income—it's also about listening more deeply to what your behaviours are trying to tell you.

Final Thoughts

We often treat money like a math problem, but for most people, it's an emotional puzzle. And you can't solve an emotional puzzle with logic alone. You need reflection. You need awareness. And sometimes, you need support.

Whether you're trying to break out of a debt cycle, stop arguing with your partner about spending, or simply feel more at peace when you check your bank account, remember this: your money habits aren't random. They make sense in the context of your life.

And once you begin to understand that story, you're in a much better position to rewrite it.

Dr. Maura Ferguson is the founder and director of Dr. Maura Ferguson & Associates. Her extensive clinical journey spans diverse landscapes, including community mental health, public health, addiction, private practice, and educational settings.

Alternative Asset Funds: Must-Have Or Most Hyped?

Rita Silvan

Like every consumer industry, investment tastes change to reflect the times. The utilitarian 60/40 portfolio is now deemed passé and poorly suited for these tumultuous times. Alts (a.k.a. 'alternative investment strategies') are roaring down the product pipeline. Once the exclusive domain of institutional investors, family offices, and high-net-worth individuals, these often pricey and opaque strategies, such as private equity, private credit, and venture capital, are now being pitched to the hoi polloi. But are they "a must-have"—or "a most hyped"?

The backdrop for the alts pitch could not be any better. After the strong returns of the past several years, the landscape has changed. Rising political and economic uncertainty amidst high market valuations is making investors jittery. Enter alternative strategies which promise to provide growth, income, capital preservation and diversification. Investors are listening: According to Prequin[1], the global alternatives industry is expected to reach nearly $30 trillion in assets under management (AUM) by 2030, representing an annualized growth rate of 9.7%. Currently, alternative assets such as real assets, private equity (PE) and private debt, make up around 15%[2] of global AUM.

The ALT SHOPPE

Alternatives can include real assets such as real estate, infrastructure, natural resources, and even art, vintage wine, designer handbags, and other collectables. However, actively managed alternative fund strategies fall into these seven categories[3]: private equity, venture capital, private debt/credit, hedge funds, real estate, infrastructure, and natural resources. Private equity has the leading share (67%) of the $15.1 trillion private markets assets class[4].

- Private equity strategies invest in non-publicly listed businesses. PE firms may be part or full owners of the companies or own shares in them. A liquidity event (such as a sale to another PE firm, an IPO, or an acquisition by another firm) generates capital gains to investors.
- Venture capital funds invest in start-ups with expected high growth rates.
- Hedge funds aim to hedge out market (beta) risk with long/short strategies, merger arbitrage or investments in assets whose value growth is not market-dependent.
- Private Debt/Credit funds provide loans to businesses.
- Real estate funds acquire, finance and own either residential, commercial, or industrial properties. They may also invest in funds or firms that invest in these properties.
- Infrastructure funds invest in services and facilities in essential areas such as utilities, telecoms, transportation, waste management, bridges, tolls, energy, etc.
- Natural resources funds may invest in timberland, water, metals, agriculture, and energy.

Why Invest in Alts?

Recent regulatory changes have made some of these strategies available to regular (non-accredited) investors in the form of "liquid alternative" mutual funds which can be traded easily.

As global markets become increasingly correlated[5], there is a case for adding alternatives as diversifiers. Historically, stocks and bonds are negatively correlated to growth volatility but positively correlated to inflation volatility, something bond investors experienced in 2022. Hedge funds may use leverage and long/short strategies which aim to provide a positive absolute return regardless of market direction.

Private markets are less efficient than large, publicly traded markets. Experienced managers may be able to exploit attractive opportunities in mispriced assets to generate superior returns.

A growing number of leading companies, such as Open AI, SpaceX, ByteDance, and Stripe are choosing to remain private for longer. Supplied by PE investors, they may not need an IPO to raise funds and thus avoid the regulations, compliance and reporting requirements and the scrutiny of being publicly traded. PE funds can help investors access a wider investable universe. For example, globally, 85% of companies[6] with revenues over $100 million are privately owned. By 2024, there were 2.5 times[7] more companies backed by private equity compared to public companies.

Investors generally prefer lower price volatility. Because private assets are typically priced mark-to-model, they display less visible price volatility than publicly traded equities. Many leading private companies are "capital light", with the value comprised of the intellectual capital and software systems, not buildings and machinery. This makes active manager expertise paramount to assess the intrinsic value of the company.

conventional funds, however private assets, by their very nature, make full transparency challenging.

Private asset prices are mark-to-model. This may give investors the illusion of lower volatility in private assets, but this is only because the current market value of the asset is not verified. There could be a meaningful gap between expected and actual asset values. The asymmetry of access to information between what the seller (fund manager) and buyer (investor) knows reduces market efficiency and could mislead investors into owning poor quality or "zombie" companies.

Alternative asset funds are more illiquid than publicly traded funds. There may be hard or soft lock-up periods, making them a poor fit for investors who need access to their capital. The new class of liquid alternative funds address this challenge by being easily tradeable, and by keeping some of their holdings in short-term paper. However, the need for greater liquidity may come at the cost of lower total returns.

With the dominance of low-cost passive funds, the investment industry must find other ways to generate fees. Funds specializing in actively managed alternative

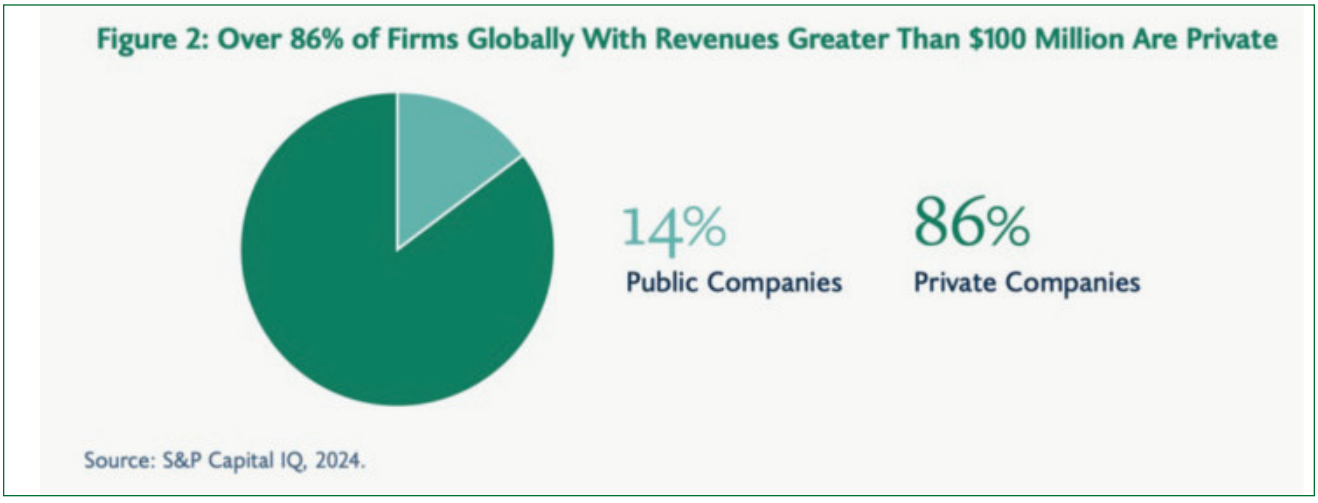
Figure 2: Over 86% of Firms Globally With Revenues Greater Than $100 Million Are Private
14%
Public Companies
86%
Private Companies
Source: S&P Capital IQ, 2024.

Source: https://www.brookfieldoaktree.com/insight/alts-quarterly-trends-watch-2025

Why To Not Invest In Alts?

Compared to public markets where price discovery is easy, private markets are opaque, with less regulatory obligation to disclose financial information such as earnings and revenues, and compensation and incentive pay packages. Liquid alternative mutual funds and ETFs are subject to similar disclosure requirements as strategies are priced at a premium, and charge performance fees which can erode returns over the long term. High fees may also incentivize some managers to take bigger risks to defend the fee structure.

Control + ALT: Is There An Alternative To Alts?

Cash: Returns on cash will not blow the roof off, but

neither will they rip your face off. Cash is non-correlated to other asset classes. Those near or in retirement, or with impending costs, or who have employment uncertainty, or who prefer, like Warren Buffett, to have a significant war chest for future buying opportunities, or who simply prefer to sleep well at night, should consider holding a slug of cash. Your financial advisor may not encourage this (low to no fees) but cash serves as a diversifier of returns, in other words, a "no-frills alt".

Real Estate: Do you own a home, a cottage and/or investment properties? Eureka! Real estate and land are alternative assets and should be added to the "alts" column of your investment portfolio.

Pension/Insurance: Canada Pension Plan CPP (and Quebec Pension Plan (QPP) have significant allocations to alternatives including global private equity (33%), private credit (approximately 13%), and infrastructure (9%), based on the 2023 CPP Annual Report. For example, CPP Investments[8] has over $700 billion AUM divided between Base CPP and Additional CPP, two funds with different asset allocations. Municipal, provincial, and private sector pension funds, as well as insurance companies, hold alternative assets.

BAM+: An affordable way to gain additional alt exposure is to buy shares in Brookfield Asset Management (BAM). Brookfield Corp (BN): trophy real estate, insurance, infrastructure and 73% ownership in BAM; BAM: purest private equity/alternative asset manager in North America with over $1 trillion AUM; Brookfield Infrastructure Partners L.P. (BIP): owners and operators of critical global infrastructure networks; Brookfield Renewable Partners LP (BEP): renewable power and decarbonization solutions in five continents. You get the alts' strategies and the dividend, and you only pay trading commissions.

Twosies: Finally, a word from legendary distressed debt investor Howard Marks[9] on asset allocation, who posits there are only two asset classes: ownership and debt. To participate in the financial side of a business, an investor can either own part of it (equity) or make a loan to it (debt). Ownership involves higher risk with the potential for higher returns, while debt, by its contractual nature, involves lower risk and typically lower potential returns. Every investor must decide for themselves, based on income needs, investment horizon, financial position, goals, aspirations, responsibilities, and temperament, what the optimal asset mix should be. Do not let the current fashion for alts—or whatever the next trend will be—distract from investing fundamentals.

Rita Silvan, CIM is a finance journalist specializing in women and investing. She is the former editor-in-chief of ELLE Canada and Golden Girl Finance. Rita produces content for leading financial institutions and wealth advisors and has appeared on BNN Bloomberg, CBC Newsworld, and other media outlets. She can be reached at rita@ellesworth.ca.

1 https://www.globenewswire.com/news-release/2024/09/18/2948056/0/en/Global-alternatives-markets-on-course-to-exceed-30tn-by-2030-Preqin-forecasts.html

2 https://www.pwc.com/ng/en/press-room/global-assets-under-management-set-to-rise.html

3 https://www.preqin.com/academy/lesson-1-alternative-assets/what-are-alternative-assets

4 https://www.brookfieldoaktree.com/insight/alts-quarterly-trends-watch-2025

5 https://www.aqr.com/Insights/Research/Journal-Article/A-Changing-Stock-Bond-Correlation

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Preparing For Year-End As A Corporate Owner-Manager

Jason Heath

Year-end tax returns for a small business owner can be a lot of work whether you have a sole proprietorship, a partnership, or an incorporated company. However, the record-keeping requirements, government filings, and planning strategies are all more complicated when you have a corporation.

Here are some tips and tricks for incorporated business owners to prepare for and maximize their year-ends.

Bookkeeping

When you are an unincorporated business owner, an accountant can file a tax return with income and expense totals provided by you. There is no requirement to see the documentation for the transactions, nor reconcile the bank account and credit card statements used for your business activities. Many people file their own personal tax returns including a statement of business or professional activities without the need for an accountant.

The requirements can be more stringent for a corporation. Bank and credit accounts usually need to be reconciled, with statements matched to the records to ensure accuracy.

Very few people take a do-it-yourself approach with their corporate tax return filing. However, some business owners do their bookkeeping with varying degrees of success. Others have their accountant do it as part of their year-end. Some have internal employees or external bookkeepers who maintain their books throughout the year.

Good bookkeeping can make a corporate accountant's job much easier. Bad bookkeeping can drive up the time and the cost of preparing a corporate tax return. Your accountant may even need to duplicate your efforts if the bookkeeping is poor.

If the volume of transactions is sufficient, it can be advantageous to do bookkeeping regularly, potentially monthly or even daily. In addition to being better prepared and providing prompter records for your accountant, you can have better insights into your business performance in real-time.

Beyond tracking transactions, a business owner should consider other software including:

- Receipt storage and automation into bookkeeping software
- Customer payment processing solutions
- E-commerce sales applications
- Inventory management if applicable

Bookkeeping software often integrates with third-party business apps and combining them can expand your business capabilities and help maintain better records for year-end and beyond.

Compilation, Review, or Audit

There are three types of year-end accounting reports that a business can prepare. Business owners may or may not have a choice between them.

A compilation is the simplest method to compile a corporation's financial data. It used to be called a notice-to-reader, but this method was replaced in December 2021 by the new compilation engagements standard. This involves reporting a company's numbers from the corporation's ledgers without specific assurance that the numbers are accurate.

A review is a more thorough filing process that involves rigorous validation using statements, records, and other

support for a company's income, expenses, and other transactions. There is a limited level of assurance provided by an accountant that the financial statements are accurate using generally accepted accounting principles.

An audit involves a meticulous evaluation of all transactions by a company where an accountant provides their opinion on the accuracy of the corporation's financials. This provides the highest level of assurance to a business owner and other interested parties that the records and reporting are valid.

For most owner-managers, a compilation engagement will suffice. It will be the easiest and least expensive option as well.

A lender may require a review engagement when loans or credit are extended to a business, to ensure a higher level of due diligence and more reliable credit approval sources.

Publicly traded companies are generally required to have audits, but some private companies might find them beneficial or necessary as well. Investors may insist upon an audit engagement, or if a company might be sold in the future, having audited financial statements may provide more assurance and expedite the due diligence process with a prospective buyer.

Tax Planning

Owner-managers who control their compensation have decisions to make about how they pay themselves and what they do with their corporate profits. Every taxpayer's situation is different but some generalities often apply.

A business owner who is also a shareholder can pay themselves a salary as an employee, or a dividend as a shareholder. There are differences in the tax implications.

A salary is tax deductible by a corporation. So, if a corporation pays out all its income as salary, there is no taxable income left in the corporation, nor corporate tax to pay. The income is then fully taxable personally.

By comparison, a dividend is a distribution of a corporation's after-tax profit. The dividend is not tax deductible for the corporation. So, if a corporation earns income and then pays out a dividend from that same income, there will be both corporate tax and personal tax payable.

The corporate tax payable on business income for small business owners generally ranges from 9 to 12 per cent depending on the province or territory of residence. The shareholder receiving the dividend pays a special, lower rate of tax compared to other sources of income. The dividend tax credit mechanism that accomplishes this lower personal tax rate is meant primarily to account for the corporate tax already paid. This concept is called integration.

The problem with integration is that it is not perfect. In fact, in most cases, the combined corporate and personal tax payable to issue a dividend is more than the personal tax payable to pay a salary from the same corporate income. As a result, most business owners are slightly better off being paid a salary than dividends.

There are other advantages to paying a salary. Salary is considered earned income for registered retirement savings plan (RRSP) purposes, and creates RRSP room for contributors. Dividends are not considered earned income, so they generate no RRSP contribution room.

In most cases, business owners are better off contributing to their RRSP, even if they need to take the extra profit out of their business, compared to retaining the after-tax profit and investing it corporately. The reason is that the corporate tax on business profit of at least 9-to-12% leaves less to invest corporately compared to making tax-deductible contributions to an RRSP.

The same typically applies to tax-free savings accounts (TFSAs). A business owner is generally better off contributing to their TFSA compared to investing corporately, even though they may have to pay more tax up-front. Although TFSA contributions are not tax deductible and taking extra withdrawals from a corporation to invest in a TFSA results in more current-year tax, the long-run tax savings on investment income are often advantageous.

Paying salary requires a business owner to contribute both the employer and employee Canada Pension Plan (CPP) contributions up to the yearly maximum pensionable earnings limit of $81,200. The effective long-run rate of return for these contributions when calculating the future CPP retirement pension income is comparable to a moderate-risk investor contributing to an RRSP. So, while not compelling, CPP does provide a simple retirement income source with no effort required by the retiree.

Incorporated owner-managers should not make the mistake of letting cash sit idle in their corporation. Some

people are unaware they can open a corporate investment account to invest corporate savings for retirement. Once RRSPs and TFSAs are maxed out, profit not needed for business or personal spending is generally best allocated to a corporate investment account to grow it over time.

It may make sense to move corporate investments to a separate investment holding company for creditor protection, especially if an operating business may someday be sold. This purification may be necessary so that a business owner can claim the lifetime capital gains exemption (LCGE) for the sale of their shares, which can otherwise be compromised if they have too large an allocation to passive assets within their company.

Summary

There are administrative, accounting, and tax planning considerations for business owners when year-end rolls around. A savvy owner-manager will be more organized, collaborate better with their accountant, and pay less tax if they plan proactively for the year ahead. So, if your year-end is always a retroactive exercise, maybe this is the time to turn things around and become better prepared.

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Sector Focus

European Defence Stocks March Ahead Suited For Momentum Investors Only

Richard Morrison

European defence stocks have vastly outperformed the S&P 500 this year and so far, show no sign of slowing down. Despite the currency risk, Canadian investors may be able to ride the momentum.

The surge in European defence contractors' share prices has come thanks to U.S. President Donald Trump, who has long said other members of the North Atlantic Treaty Organization (NATO) have not been paying their fair share of defence costs, and rely too heavily on the United States.

The issue came to a head on 28 February 2025, in a live television broadcast of a visit to the White House by Ukrainian President Volodymyr Zelenskyy. President Trump and Vice-President JD Vance "discussed" how further U.S. military aid to Ukraine would be paused. Incredulous investors couldn't believe their good luck and jumped up from their TVs to order shares of European defence contractors, sending the stocks up by more than 20% over the next few days.

The companies in the sector have continued to trade at optimistic multiples since then, buoyed by a near-constant flow of reassuring announcements by European governments. Most of the 32 NATO members have said they will increase their defence budgets, including the United Kingdom, Germany, France, Poland, Spain and many smaller countries.

In March 2025, the European Commission announced its ReArm Europe Plan, which will unlock up to €800 billion in funding for defence spending, along with a new €150 billion loan instrument for countries to use to expand their defensive capabilities. A clause in the plan will allow countries to increase defence spending without breaching EU budgetary restrictions. As well,

some institutional investors and asset managers such as Allianz Global Investors, UBS Asset Management and Danske Bank Asset Management have eased some of their environmental, social and governance (ESG) objections against buying into defence companies.

Most recently, President Trump has called for NATO nations to spend at least 5% of their gross domestic products on defence, more than twice NATO's 2% target and more even, than the U.S. itself. The upcoming NATO summit in the Netherlands on June 24-25, 2025, will likely see even more European nations confirm plans to spend more on defence.

The expected flood of long-term, reliable government contracts should translate into higher revenue and earnings for aerospace and defence companies such as BAE Systems PLC of Britain, Thales SA of France, Germany's Rheinmetall AG, Sweden's Saab AB and Italy's Leonardo SpA. Although they compete for contracts, it's common for the companies to enter into joint ventures, and for equipment manufactured by one company to include components made by others.

The on-again, off-again tariffs imposed by President Trump will likely have little impact on European defence contractors as they had established, and in many cases expanded, their U.S. facilities in anticipation of Mr. Trump's election, says a 7 April 2025 report from Morningstar analyst Loredana Muharremi.[1]

Enthusiasm for shares of European defence contractors makes them suited for momentum investors, and not for those seeking deep value or those waiting for a turnaround. A good measure of optimism is the P/E to growth (PEG) ratio, the current P/E ratio divided by a company's long-term rate of earnings growth. A company with a P/E of 30 and a growth rate of 20% would have an optimistic PEG of 1.5, while a company with a P/E of 20 and a growth rate of 30% would have a pessimistic PEG of 0.66.

Canadians will have to invest in these companies via American Depository Receipts (ADRs), which means accepting double currency risk, as the shares of the European defence companies trade in their currencies, which are then converted to U.S. dollars via ADRs. Fluctuations in either the original currency or the U.S. dollar against the Canadian dollar will affect returns.

Rheinmetall, Thales and Leonardo use the euro as their base currency, while BAE Systems uses the pound sterling and Saab uses the Swedish krona. All three currencies fell to lows against the U.S. dollar in January 2025 before rallying to much higher levels in April. Most of the ADRs trade on the U.S. over-the-counter market.

Here is a closer look at some European defence contractors whose ADRs are worth considering.

Rheinmetall AG (RNMBY)

Düsseldorf, Germany-based Rheinmetall's defence business, which includes military trucks, armoured vehicles, heavy weapon carriers and ammunition, accounted for about 80% of its sales last year. Almost half of its sales went to other European countries, with Germany representing about 30%. The company's order backlog reached €55 billion at the end of 2024.

Preliminary figures for its first quarter showed the company's military sales jumped by almost 73% over the first quarter of 2024, with total sales increasing by 46%. Operating profit for the company was about 8.7%, fully 49% higher than in the same quarter a year ago, with operating profit from the company's defence business almost doubling. The company said it expects revenue for 2025 to come in at 25%-to-30% more than 2024 levels, with an operating margin of about 15.5%. "This outlook does not yet take into account the improvement in market potential that is likely to arise," the company said.

As of mid-May Rheinmetall's ADRs were trading at almost three times the US$125 they sold for at the beginning of the year. At its recent price Rheinmetall has a market capitalization of US$80.5 billion and a trailing 12-month P/E ratio of 92.7. The company's strong growth, however, means its five-year P/E to growth (PEG) ratio is only 1.3, figures from Yahoo Finance show.

BAE Systems PLC (BAESY)

Based in London, BAE is regarded as Europe's largest defence contractor, with 107,000 employees in more than 40 countries, turning out submarines, frigates, combat vehicles and munitions. The company is the largest defence contractor in the U.K. and Australia, and among the top 10 prime contractors to the U.S. Department of Defense, which represents 44% of revenue. The company's order backlog is at a record high, as long-term contracts with governments provide a relatively secure flow of revenue.

In its 2024 annual report, BAE reported that its order backlog had grown by 11% over 2023, while sales had increased by 14% and earnings had climbed 10%

from 2023, while operating profit, which rose 4%, was tempered by costs related to mergers and acquisitions. The company said it expects 2025 sales to climb by between 7% and 9% and for earnings per share to rise by 8% to 10%. The company raised its dividend by 10%, its 19th consecutive year of dividend increases.

At a recent ADR price of US$93, the company has a market capitalization of US$66.3 billion and a trailing 12-month P/E ratio of 26, with a five-year PEG ratio of about 4.65, reflecting extreme investor optimism, figures from Yahoo Finance show.

Saab AB (SAABY)

Based in Stockholm, Sweden, Saab is perhaps best remembered for its car division, which stopped production in 2011 and was eventually sold off. Today more than three-quarters of its sales come from the defence sector. Although it has overseas customers, more than half of its sales come from Europe and the Swedish armed forces are its biggest client.

For the first quarter of 2025, Saab reported that net income and earnings per share had grown by 64% over the same quarter of 2024, with organic sales growth of 11%. For the rest of the year, the company says it expects organic sales growth of between 12% and 16%, with operating income growing at an even higher rate.

Saab's ADRs have more than doubled this year and now trade at levels that give the company a market capitalization of US$25.5 billion, with its shares trading at more than 50 times trailing earnings and almost 45 times forward earnings per share. Saab's five-year expected PEG ratio is an optimistic 1.93, figures from Yahoo Finance show.

Thales SA (THLLY)

Paris-based Thales is one of Europe's largest aerospace and defence contractors with €20.6 billion in 2024 sales. In the first quarter of 2025, the company's defence segment represented 54% of sales, with aerospace representing 27% and cyber/digital accounting for 18%.

Thales's Q1 2025 order intake fell by 25% compared to a banner Q1 of 2024 when the company recorded two huge orders. Sales in the company's defence segment rose by 16.5% in the quarter, helping overall sales rise by more than 12%.

Thales's ADRs have almost doubled this year and now trade at levels that give the company a market capitalization of US$58 billion, with its shares trading at more than 50 times trailing earnings and 25 times forward earnings per share. Thales's five-year expected PEG ratio is an optimistic 2.26, figures from Yahoo Finance show.

Leonardo SpA (FINMY)

Rome-based Leonardo, known as Finmeccanica until 2017, produces jets, helicopters, unmanned aerial equipment and other military equipment, with a focus on joint ventures with other companies. About 30% of its shares are owned by the Italian government.

Leonardo's order book grew by 12.1% to €20.9 billion in 2024 and should grow by 17% to €26.2 billion in 2029, the company's industrial plan says. Revenue of €17.8 billion in 2024 should grow by 27% to €24.0 billion in 2029, it adds. The company has dramatically increased its dividend to yield about 1.7% this year.

Like Thales, Leonardo's shares have almost doubled so far this year, producing a market cap of US$31.2 billion, while its shares trade at about 26 times both trailing and forward earnings. Leonardo's five year expected PEG ratio is 1.44, figures from Yahoo Finance Show.

Summary

In summary, the most promising European defence stock appears to be Rheinmetall AG (RNMBY) based on the company's own projections and the fact that its five-year forward PEG is not overly optimistic when compared to those of its competitors. Rheinmetall's robust growth in orders and revenue and high operating margins are also solid characteristics. As a final catalyst, Rheinmetall's rising shares have lifted its market capitalization to the point where it may soon be a member of large-cap stock indexes such as the Euro Stoxx 50, making it a candidate for institutional investors who must focus only on the largest of companies.

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1 https://www.morningstar.co.uk/uk/author/3377/loredana-muharremi.aspx

Tax-Loss Selling: A Hopeful Prospect For Investors In Down Markets?

Julie A. Petrera, MBA, CFP, CIM, FCSI

The Toronto Stock Exchange (TSX) and the Standard & Poors 500 Index (S&P) both delivered strong returns in 2024, on top of strong returns the preceding year, with both exchanges ending 2023 and 2024 on a high note. Markets so far this year have performed less steadily, and investors may be experiencing losses. But losses, under certain conditions, could present a hopeful prospect: Tax-loss selling.

Tax-loss selling, also known as tax-loss harvesting, is a tax and investment planning strategy that investors with losses in non-registered accounts can implement to reduce tax on capital gains. The strategy involves selling an investment at a loss to offset a past, present or future gain to avoid, reduce or reclaim tax on the gain.

Capital gains or losses are calculated as the disposition of property minus the total of your investment's adjusted cost base (ACB), less any expenses associated with buying/selling or holding the investment.[1] However, it is the net gain that is taxable. Therefore, capital losses can offset the tax payable on capital gains:

- in the same year as the gain;
- in the past three calendar years (use line 25300 of your tax return); or
- in the future.

This means you can go back and reclaim the tax you already paid on prior year gains by using Form T1A[2]. And yes, you can carry losses you trigger in the current year forward indefinitely. But should you trigger losses in your investment portfolio solely to reduce tax? Only you can decide. Let's review the rules, the math, and the considerations and risks of tax-loss selling to help you make that decision.

The Rules

The Canada Revenue Agency (CRA) outlines what constitutes an allowable capital loss that can be used to offset a capital gain. For a capital loss to be allowable:

- You must sell an investment that you have owned for more than 30 days.
- The investment must be sold, it cannot be transferred to a registered plan (like an RRSP).
- You must not re-purchase the investment within 30 calendar days following the sale.
    - You must not purchase a substantially similar investment within 30 days following the sale (called identical property or substituted property); and
    - A person you are affiliated with must not re-purchase identical property within 30 days following the sale. Affiliated persons include:
        - Your spouse or common-law partner
        - Corporations that you or your spouse/partner control entirely or as partners
        - Trusts where you or your spouse are the primary beneficiary.

Failure to adhere to these rules will result in the losses being disallowed, as they would be considered "superficial losses", and cannot be applied against capital gains.

The Math

To calculate a capital gain or loss, subtract the total of your investment's ACB less any expenses incurred to sell the property, from the proceeds of the disposition.

For example, let's assume that Mark bought 500 shares of SUN Corporation for $10 per share, with no commission, so his total ACB is $5,000. Six months later Mark sells the SUN shares for $13 per share, less $25 commission and receives $6,475. Mark has a gain of $1,475. Assuming 50% of this gain is taxable, Mark's taxable capital gain is $737.50. This is not the amount of tax Mark pays; this amount would be taxable at Mark's marginal tax rate[3].

However, we must consider that Mark also bought 500 shares of SKY for $10 per share with no commission, and these shares fell in value to $6 per share. Mark sold the SKY shares at $6 with no commission and received $3,000, resulting in a $2,000 capital loss. The allowable capital loss would be $1,000.

When filing his taxes, Mark will calculate his net gain/loss as $1475 minus $2,000 for a net loss of $525, or taxable capital loss of $262.50. Assuming no other dispositions this year[4], Mark would not have to pay any tax on gains this year, as his gain was fully offset. Further, he can apply the $262.50 loss to capital gains he previously paid tax on in the preceding three calendar years or carry this loss forward indefinitely to offset future taxable capital gains.

The Risks

If you have taxable capital gains (past or present) in a non-registered plan, and want to offset the tax, consider the following risks inherent in applying this strategy.

- There could be transaction costs, such as commissions, associated with selling securities to trigger losses, buying replacement investments, or re-buying the original investments more than 31 days in the future.
- There could be additional accounting costs if you engage an accountant to file your taxes and apply losses to previous or future year returns.
- Since you must remain uninvested in identical or substituted property, you may risk losing out on returns, especially amongst volatility (which the markets in 2025 have been experiencing); and
- You will not participate in any income or dividends the investments you sold earn during the time you are not invested.

Some of these risks may be offset by holding alternative (non-identical or substituted) investments, or by the tax you will save or reclaim. Since taxable capital gains are taxed at an investor's marginal tax rate, this strategy may be more valuable for investors in higher marginal tax brackets.

The Decision

Only you (and your financial advisor and accountant) can determine the validity and value of this strategy for you based on your individual and personal tax profile, investment objectives and risk tolerance. While this strategy may help address your overall financial goals, make sure it makes sense for you, and as they say: "Don't let the tax tail wag the dog".

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1 https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-25300-net-capital-losses-other-years.html

2 https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t1a.html

3 Since tax on gains is ultimately paid at the taxpayer's marginal tax rate, this strategy may be more beneficial for investors in higher marginal tax brackets

4 Note: Gains and losses can be triggered at any time, and in any order throughout the year.

Incorporation: A Path To Investment Growth And Tax Efficiency

Laura Harvey

An increasing number of professionals, consultants, investors, and entrepreneurs are choosing to incorporate. Approximately 89% of Small and Medium Enterprises (SMEs) are incorporated[1]. It's not just for the huge companies with over 500 workers. Many small businesses with 1-9 employees can successfully incorporate. Not only does it provide legal protection, but it's also a powerful tool to build wealth, protect your brand, build your business's reputation, optimize taxes, and gain strategic control over your financial future.

If you're earning income outside of traditional employment or building assets like real estate, understanding the benefits of incorporation could be your next strategic move.

Incorporation doesn't eliminate taxes; it gives you more control over when and how you pay them.

Credibility and Capital Access Through Incorporation

While the tax and investment benefits are key, there's another reason Canadians choose to incorporate—credibility and access to capital. Having "Inc." or "Ltd." after your business name signals legitimacy to clients, lenders, and investors. It often makes it easier to open business accounts, secure lines of credit, or qualify for commercial financing.

Even for side hustlers or professionals working independently, incorporation can be the ticket to scaling up. Want to bring on a partner? Issue shares to an investor? Eventually, sell the business or pass it to your kids? A corporation gives you the legal and structural flexibility to do that.

Most compelling for long-term planners is access to the Lifetime Capital Gains Exemption (LCGE). If you eventually sell shares of your Canadian-controlled private corporation (CCPC), you may be eligible to shelter over $1 million in capital gains from tax (if you've met the holding and use requirements).

From Paycheque to Portfolio: Leveraging Corporate Tax Rates

One of the primary reasons Canadians consider incorporating is tax efficiency. At a basic level, corporations in Canada pay a significantly lower tax rate on active business income compared to high personal tax rates.

If your business qualifies for the Small Business Deduction (SBD), which applies to the first $500,000 of active income in most provinces, you could pay a corporate tax rate as low as 12.2% in Ontario or around 11% federally, compared to personal income tax rates that can exceed 50% in top brackets.

What does this mean in practice? Let's say your incorporated consulting business earns $150,000. If you don't need the full amount for personal use, you can retain earnings within the corporation, paying only the lower corporate rate. You then control when (and how much)

you withdraw personally, potentially timing dividends in a more tax-efficient way.

While income splitting rules (particularly Tax on Split Income, or TOSI) have tightened, there are still legitimate ways to share income with adult family members who contribute to the business. This makes incorporation a tool not only for tax deferral but also for family wealth-planning.

Building Wealth Inside a Corporation

Beyond tax savings, incorporation can unlock a different approach to investing. Many incorporated Canadians are taking advantage of the ability to build investment portfolios inside their corporate structure using retained earnings.

Through a corporate investment account, your company can hold stocks, bonds, Exchange-Traded Funds (ETFs), real estate, and private equity. This can accelerate your ability to grow assets, especially if you're a high-income individual who has already maxed out your Registered Retirement Savings Plan (RRSP) and Tax-Free Savings Account (TFSA).

However, this approach comes with nuance. The Canada Revenue Agency (CRA) applies different tax treatments to passive investment income within a corporation. For example, if your passive income exceeds $50,000 annually, your corporation could see a reduction in the Small Business Deduction (SBD), meaning you'll lose access to those lower tax rates on your active income.

There are strategies to navigate this. Some professionals use holding companies to separate business income from investment income, thereby keeping the operating business eligible for the SBD. Others structure their investments to favour capital gains (which are more tax-friendly than interest income).

For real estate investors, incorporation provides additional benefits. You can isolate liability for each property, access more diverse mortgage options, and plan more effectively for succession or sale.

Is Incorporation Your Next Strategic Move?

Incorporation isn't for everyone. If you're just starting or if your income is inconsistent, the added costs of maintaining a corporation (such as bookkeeping, legal compliance, and tax filings) may outweigh the benefits. Incorporation doesn't eliminate taxes; it gives you more control over when and how you pay them.

But for many Canadians, especially those earning over $100,000 in self-employed income, investing heavily, or looking to scale, incorporation is a logical and powerful next step. It can help build a foundation for wealth, investment growth, and long-term financial control.

So, if you're ready to think bigger about your business and your financial future, it might be time to stop asking why. Seek out professional services of incorporation business[2] leaders who can help you scale effectively and sustainably.

Laura Harvey, Owner and Founder of Ontario Business Central. As the owner of Ontario Business Central Inc., Laura has an unwavering commitment to nurturing the entrepreneurial landscape in Canada.

https://www.ontariobusinesscentral.ca/

1 https://ised-isde.canada.ca/site/sme-research-statistics/en/research-reports/sme-profile-ownership-demographics-statistics-2022#s4.2

2 https://www.ontariobusinesscentral.ca/incorporation.php

Potential Tax Implications From The New Liberal Government

Nancy Grouni

Canadians recently elected a new Liberal government.

Here's what the Liberal Party has proposed – and how it could impact you.

The federal election results are in and the Liberal Party of Canada have formed a minority government. While a lot can change (these are proposals, not legislation that has been passed and received royal assent), let's review several tax proposals and the potential implications on your finances.

1. Lowest Tax Bracket

The Liberal Party has proposed reducing the tax rate, effective 1 July 2025, for the lowest tax bracket by one percentage point from 15% to 14%. For 2025, that federal bracket includes income below $57,375.

Based on the party's findings, this would save two-income families $825 per year. However, it's worth noting that savings may be limited because of the way federal non-refundable credits are calculated. This is because while lowering the lowest tax rate would reduce tax, it may also reduce the value of most non-refundable credits.

2. Annual Tax Filings

The Liberal Party has also proposed facilitating automatic tax filing for low-income households and seniors, possibly expanding in time to other households. This is a huge plus, since there are a variety of tax credits and benefits only available if you are up to date with your annual tax filings.

3. Disability Tax Credit – Line 31600 of your T1 return

The Liberals also discussed expanding the criteria for the Disability Tax Credit, opening the door to many other disability support programs. The stated goal of this proposal is to reduce poverty among Canadians with disabilities.

On average, this tax credit equates to federal and provincial tax savings of about $2,000 per year for adults over the age of 18. Not insignificant!

Some disabilities that may qualify include, but are not limited to Type 1 diabetes, clinical depression, hearing loss, autism spectrum disorder, Crohn's disease, cognitive impairment, chronic pain, COPD, arthritis, and mobility impairment.

If the credit was not claimed in the past, in some cases you could go back up to 10 years. Not taking full advantage of this credit is one of the most common tax mistakes we see, so it's worth reviewing and great to see further expansion for the criteria/eligibility for the credit.

4. Seniors And Retirement — Proposed For One Year

First, the Liberals propose to temporarily increase the Guaranteed Income Supplement by 5 per cent. For low-income seniors, this could mean up to a tax-free $652 in their pockets.

Second, the newly elected government have proposed to reduce the minimum amount that must be withdrawn from a Registered Retirement Income Fund (RRIF) by 25%.

As it stands right now, Canadians must convert their

registered retirement savings plans (RRSPs) into a RRIF or buy an annuity by 31 December of the calendar year they turn 71. At age 72, (the first year of mandated withdrawals), the withdrawal rate is currently based on 5.40% of the value of the RRIF at the start of the year. Therefore, a 25% reduction would mean a withdrawal rate of only 4.05%. The income is included on an individual's T1 as fully taxable income.

The reduction in minimum withdrawal for the year would allow for greater flexibility when it comes to tax planning. For example, reduced taxable RRIF withdrawals allow for greater taxable investment income, be it dividend and interest or capital gains income without triggering OAS clawback. In 2025, OAS clawback begins at $93,454 per individual based on line 23400 of your tax return. For those aged 65 to 74, OAS benefits are fully clawed back when their taxable income reaches $148,451. For individuals aged 75 and over, OAS benefits are fully clawed back at an income level of $154,196.

5. Cost of Living/First-Time Home Buyer Relief

The Liberal Party proposed to:

- Allocate additional funds towards greenhouses and other specified environmental agriculture. The goal would be to facilitate greater local produce.
- Eliminate GST on purchases of homes priced at, or less, than $1 million, and lower GST on homes between $1 million and $1.5 million, providing a measure of relief for first-time homebuyers. It may be worth considering pressing pause on a new home purchase for now, to wait and see how things unfold here.
- Provide additional funding for home retrofits, as well as incentives for lowering utility bills. For example, this means that Canadians could receive help paying for heat pump installation and window replacements.

Also on the table is the expansion of dental coverage for Canadians aged 18-64, allowing for savings of about $800 in dental care costs.

6. Job Skills And Training

The Liberal Party has proposed providing workers in certain sectors such as construction, health care, technology and manufacturing with up to $15,000 in job training support.

For workers in the skilled trades, the proposal is to cover apprenticeship training costs up to $8,000 and to create more training opportunities. The end goal is for more Canadian workers to join these types of professions and secure higher-paying careers, reducing the skilled-worker gap in the process.

In addition, there's a support measure targeted towards workers at risk of being affected by tariff-related layoffs. The party has proposed to expedite EI benefits, having already reduced the waiting period to one week from two. They are now looking at removing the waiting period altogether, although only temporarily.

7. Child Care

The Liberals proposed support for the $10-a-day early learning and childcare (ELCC) program and protection of the Canada Child Benefit. This is a monthly, non-taxable amount provided by the Canadian government to eligible families to help with the cost of raising children under the age of 18. This benefit is based on family income, as well as the number and ages of children and is intended to support low- to middle-income families.

The Liberals have also proposed expanding childcare in publicly-owned facilities such as schools and community centres, as well as community buildings that receive federal financing. This proposed measure may help some Canadian parents secure childcare sooner and locally as it opens more childcare options.

While these proposed measures are not enough to fully address cost-of-living issues, the Liberals are working toward delivering some financial relief to targeted demographics.

As always, it is more important than ever to ensure your financial life plan is up to date, reflecting not only your ongoing goals and objectives but also current tax legislation, while keeping an eye out for proposed legislative measures.

Nancy Grouni, CFP, PFP, Financial Planner, Objective Financial Partners Inc. Nancy had a 20-year career as an investment and insurance advisor with two large wealth management firms, building and presenting client financial plans and investment portfolio reviews, before becoming a fee-only financial planner. She specializes in financial, tax, and estate planning for incorporated business owners and professionals, sole proprietors who are considering incorporation, and retirees with investment holding companies. https://objectivefinancialpartners.com.

Canadian MoneySaver Staff Writer

"Grandma, It's me, Tyler"

Don't Get Duped: Spotting And Avoiding Money Scams in 2025

Imagine this: it's late at night and your phone rings. You don't recognize the number but pick up anyway—you would hate to miss an important call.

"Grandma, can you hear me? It's me."

It must be your grandson, Tyler. You haven't talked to him in a couple of weeks. His voice sounds a little fuzzy, but maybe it's a bad connection.

"*Tyler, how are you, sweetheart?"*

"Grandma, it's me, Tyler. I need help. It's an emergency. I'm driving to visit Mom and my car broke down. A tow truck came, and I needed to pay for repairs but my credit card was declined. Can I borrow your card? I'll pay you back tomorrow, I promise."

Poor Tyler, he's a good kid. But his mom's usually around; you wonder why he didn't try calling her, so you ask.

"*It's supposed to be a surprise visit, Grandma, please don't tell Mom I called you. Just read out your card number, please. I need your help.*"

Have your spidey senses started tingling yet? Because they should have.

Grandparent Scam

This is a classic example of a common type of fraud, called a grandparent scam. In a grandparent scam, scammers will call pretending to need money for an emergency—it could be for lawyers' fees, bail money, or perhaps they're hurt and stuck in another country. They'll ask open-ended questions like "Do you know whose calling?" to get you to offer the name of your grandchild and perhaps will use voice-altering technology or artificial intelligence to mimic your child's voice. They might disguise the caller ID so it looks like the call is coming from your grandchild's number. They'll plead with you not to verify the information by telling their parents. And most importantly, they'll prey on your emotions—because of course, you want to protect your loved ones.

These financial frauds aren't rare. In 2023, grandparent (or other emergency) scams reportedly cost Canadians $11.3 million, according to the Canadian Anti-Fraud Centre. However, this number is likely much higher, as many people don't report scams.

Protect Yourself:

- Verify the story with another member of your family.
- Save your grandchildren's contact numbers on your phone, so you can hang up and call a number you know belongs to them.
- Set up a code word for your family that you can ask each other in case of emergency.

What are some other types of financial scams you should be aware of?

Credit Card Scam

In a credit card scam, a scammer will call or text you, offering you a new credit card that might have great interest rates, tons of travel points, or some other interesting perk. They will ask you to provide lots of personal information, so they can set up the account for you.

Protect Yourself:

- Protect your personal information, particularly your name, address, birthday and Social Insurance Number.
- Ask for details: a reputable source won't hesitate to provide details in writing.

Canada Revenue Agency Scam

You might receive a call from a scammer claiming to be an employee of the Canada Revenue Agency or Service Canada. They may claim you have an outstanding balance that needs to be paid, or that you've committed

Annuities Offer Income For Life

Prescribed Annuity Rates: $100,000 10-year Guarantee

1. Male Single Life Prescribed Annuity ages 65, 70, 75 and 80.

Male age at purchase	Annual income	Annual Taxable Amount
65	$6,465	$1,534
70	$7,221	$1,324
75	$8,095	$1,094
80	$9,239	$1,125

2. Female Single Life Prescribed Annuity ages 65, 70, 75 and 80.

Female age at purchase	Annual income	Annual Taxable Amount
65	$6,128	$1,708
70	$6,790	$1,464
75	$7,572	$1,099
80	$8,704	$953

3. Joint Life Prescribed Annuity Male/Female ages 65, 70, 75 and 80.

Joint age at purchase	Annual income	Annual Taxable Amount
65	$5,655	$1,837
70	$6,230	$1,643
75	$6,938	$1,324
80	$8,071	$1,179

Annuity income values were obtained from highly rated Canadian insurers and are for illustration purposes only.

Annuity rates change daily. Income and tax rate will depend when the annuity contract is issued.

Rino Racanelli. *independent annuity advisor*
racanelli@sympatico.ca
www.bestannuityrates.ca

tax fraud. They will tell you that if you don't resolve the problem immediately on the phone with them, you will be arrested, fined or deported.

Protect Yourself:

- Ask for the agent's name and identification number. Then, call back at a verifiable number.
- Remember: if you don't call them, you never know who you are talking to.

Cryptocurrency Scam

Scammers know how to take advantage of the lack of regulation around cryptocurrency. They will establish what looks like a legitimate cryptocurrency. After bringing enough people in to purchase this new token, the scammers will take the cash they've collected, leaving victims with a worthless cryptocurrency token.

More Best Practices to Protect Your Finances

- Don't rush into fast decisions. Scammers want to rush you into deciding before you think it through. Be aware of high-pressure sales tactics, consider whether an offer is "too good to be true", and don't be afraid to say no.
- If you're thinking about investing, make sure the person or company is registered to sell investments or give advice, by searching on CheckBeforeYouInvest.ca.
- If you think you have been the victim of a scam, stay calm. Gather all relevant information, and get in touch with your financial institution and your local police department. Tell your family, friends, and coworkers about your experience: sharing your story may help prevent someone else from being a victim.

Sources:

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TSX 60 - Constituents listed by Dividend Yield

DATE AS OF MAY 1, 2025

Name	RIC	Annualized Dividends ($)	Dividend Yield (%)	Dividend 5-Year Growth Rate (%)	Latest Dividend Pay Date	Latest Dividend Ex-Date
BCE Inc	BCE.TO	3.99	13.02%	4.80	15-Apr-2025	14-Mar-2025
Telus Corp	T.TO	1.61	7.58%	--	01-Apr-2025	11-Mar-2025
Bank of Nova Scotia	BNS.TO	4.24	6.15%	3.97	29-Jan-2025	07-Jan-2025
Canadian Natural Resources Ltd	CNQ.TO	2.35	5.94%	23.30	04-Apr-2025	21-Mar-2025
Magna International Inc	MG.TO	2.68	5.86%	7.59	14-Mar-2025	28-Feb-2025
Enbridge Inc	ENB.TO	3.77	5.85%	4.39	01-Jun-2025	15-May-2025
Brookfield Infrastructure Partners LP	BIP_u.TO	2.37	5.73%	3.87	30-Jun-2025	30-May-2025
Rogers Communications Inc	RCIb.TO	2.00	5.56%	0.20	03-Jul-2025	09-Jun-2025
Pembina Pipeline Corp	PPL.TO	2.76	5.24%	3.10	31-Mar-2025	17-Mar-2025
Algonquin Power & Utilities Corp	AQN.TO	0.36	5.03%	(5.83)	15-Apr-2025	31-Mar-2025
TC Energy Corp	TRP.TO	3.40	4.88%	4.72	30-Apr-2025	31-Mar-2025
Bank of Montreal	BMO.TO	6.36	4.81%	8.55	27-May-2025	29-Apr-2025
Toronto-Dominion Bank	TD.TO	4.20	4.77%	7.14	30-Apr-2025	10-Apr-2025
Canadian Tire Corporation Ltd	CTCa.TO	7.10	4.71%	11.02	01-Jun-2025	30-Apr-2025
Power Corporation of Canada	POW.TO	2.45	4.70%	6.74	01-May-2025	31-Mar-2025
Suncor Energy Inc	SU.TO	2.28	4.68%	5.59	25-Mar-2025	04-Mar-2025
Emera Inc	EMA.TO	2.90	4.67%	(0.75)	15-May-2025	01-May-2025
Canadian Imperial Bank of Commerce	CM.TO	3.88	4.46%	5.56	28-Apr-2025	28-Mar-2025
Cenovus Energy Inc	CVE.TO	0.72	4.44%	30.85	31-Mar-2025	14-Mar-2025
Manulife Financial Corp	MFC.TO	1.76	4.17%	9.75	19-Mar-2025	05-Mar-2025
Sun Life Financial Inc	SLF.TO	3.36	4.09%	9.06	31-Mar-2025	26-Feb-2025
Open Text Corp	OTEX.TO	1.45	4.04%	9.15	21-Mar-2025	07-Mar-2025
Nutrien Ltd	NTR.TO	3.01	3.99%	4.62	10-Apr-2025	31-Mar-2025
Restaurant Brands International Inc	QSR.TO	3.42	3.85%	3.01	04-Apr-2025	21-Mar-2025
National Bank of Canada	NA.TO	4.56	3.77%	10.18	01-May-2025	31-Mar-2025
Canadian Apartment Properties Real Estate Investment Trust	CAR_u.TO	1.55	3.68%	1.47	15-May-2025	30-Apr-2025
Fortis Inc	FTS.TO	2.46	3.60%	5.47	01-Jun-2025	16-May-2025
Royal Bank of Canada	RY.TO	5.92	3.58%	6.59	23-May-2025	24-Apr-2025
BROOKFIELD ASSET MANAGEMENT LTD	BAM.TO	2.41	3.28%	--	31-Mar-2025	28-Feb-2025
Tourmaline Oil Corp	TOU.TO	2.00	3.28%	23.20	31-Mar-2025	14-Mar-2025
Imperial Oil Ltd	IMO.TO	2.88	3.10%	22.91	01-Apr-2025	05-Mar-2025
Saputo Inc	SAP.TO	0.76	2.83%	2.27	14-Mar-2025	04-Mar-2025
Canadian National Railway Co	CNR.TO	3.55	2.66%	9.47	31-Mar-2025	10-Mar-2025
Hydro One Ltd	H.TO	1.26	2.37%	5.36	31-Mar-2025	12-Mar-2025
Barrick Gold Corp	ABX.TO	0.55	2.20%	15.35	17-Mar-2025	28-Feb-2025
Gildan Activewear Inc	GIL.TO	1.25	1.97%	9.33	16-Jun-2025	20-May-2025
CCL Industries Inc	CCLb.TO	1.28	1.78%	11.27	31-Mar-2025	17-Mar-2025
Intact Financial Corp	IFC.TO	5.32	1.74%	9.75	--	--
Agnico Eagle Mines Ltd	AEM.TO	2.21	1.40%	12.79	14-Mar-2025	28-Feb-2025
Metro Inc	MRU.TO	1.48	1.39%	10.87	27-May-2025	07-May-2025
Thomson Reuters Corp	TRI.TO	3.28	1.32%	8.90	10-Mar-2025	20-Feb-2025
George Weston Ltd	WN.TO	3.28	1.22%	8.07	01-Apr-2025	14-Mar-2025
Alimentation Couche-Tard Inc	ATD.TO	0.78	1.08%	23.56	10-Apr-2025	27-Mar-2025
Teck Resources Ltd	TECKb.TO	0.50	1.06%	19.61	30-Jun-2025	16-Jun-2025
Loblaw Companies Ltd	L.TO	2.26	1.01%	9.87	01-Jul-2025	13-Jun-2025
Franco-Nevada Corp	FNV.TO	2.10	0.93%	8.23	27-Mar-2025	13-Mar-2025
Canadian Pacific Kansas City Ltd	CP.TO	0.91	0.91%	3.89	28-Jul-2025	27-Jun-2025
Kinross Gold Corp	K.TO	0.17	0.85%	--	20-Mar-2025	05-Mar-2025
Wheaton Precious Metals Corp	WPM.TO	0.91	0.82%	11.95	11-Apr-2025	01-Apr-2025
Brookfield Corp	BN.TO	0.50	0.67%	(5.59)	31-Mar-2025	14-Mar-2025
FirstService Corp	FSV.TO	1.52	0.65%	11.22	07-Apr-2025	31-Mar-2025
Waste Connections Inc	WCN.TO	1.74	0.64%	12.71	22-May-2025	07-May-2025
WSP Global Inc	WSP.TO	1.50	0.61%	0.00	15-Apr-2025	31-Mar-2025
CGI Inc	GIBa.TO	0.60	0.41%	--	20-Jun-2025	--
Cameco Corp	CCO.TO	0.16	0.25%	14.39	13-Dec-2024	27-Nov-2024
Dollarama Inc	DOL.TO	0.42	0.25%	15.06	09-May-2025	17-Apr-2025
Constellation Software Inc	CSU.TO	5.52	0.12%	5.00	15-Apr-2025	28-Mar-2025
First Quantum Minerals Ltd	FM.TO	0.00	0.00%	83.84	--	--
Shopify Inc	SHOP.TO	--	0.00%	--	--	--
CAE Inc	CAE.TO	--	0.00%	--	--	--

Source: Thomson Reuters

** Due to pace of changes to dividends, yield may not reflect rates in real-time.*

John De Goey,

Portfolio Manager with Designed Securities

Q: Tell our readers a bit about yourself?

A: I grew up on a fruit farm in southern Ontario – the oldest son of immigrant parents. I'm now in my 60s, but in my mind, I'm still about 35. I have taken good care of myself (with my wife's encouragement), so I think I have many years left – both in my career and in life in general. I've been writing for CMS for over 20 years and have written many articles (over 200!) for the industry press and the public media. I've also written three books and, more recently, started a podcast called 'Make Better Wealth Decisions' (please subscribe), which deals with financial decision-making and behavioural biases. Finally, I worry that many people who do what I do are unduly optimistic and are not preparing their clients (especially retirees) for what could be several lean years ahead.

Q: What initially drew you to a career in this industry?

A: I did a master's degree in public administration, which is like an MBA, only for government. As such, I have a business background combined with a public policy background, so when you think of government programs (when to take CPP, should I use an RRSP or TFSA?), the training and skill set was transferrable. Besides, I like working with people and expressing my own thoughts – both of which would have been a challenge had I pursued a career in the public service.

Q: What financial trend or innovation are you most excited about right now?

A: The trend that excites me is the very gradual acceptance of evidence. When I started as an advisor (over 30 years ago!), the culture was almost entirely one of sales. Now, it more like a profession (think of doctors, dentists, lawyers, and accountants). There's still a sales element, but it has become less prevalent. Clients are slowly starting to come first.

Q: What's the most recent finance or investment-related book you've read, and what was the biggest lesson you learned from it?

A: I just re-read Daniel Kahneman's "Thinking Fast and Slow". I marvel at how long it has taken us, as a species, to recognize our own biases. Behavioural finance is a really big deal now and many advisors will say that 'behavioural coaching' is a major part of their value proposition. Kahneman (and Tversky)'s big breakthrough is prospect theory (specifically, loss aversion). People feel the pain of loss about twice as acutely as the joy of a gain. I learned this in the global financial crisis when I was trying to get clients to re-balance based on their pre-agreed investment policy statements. They may have agreed to a (for example) mix of 60% stocks; 40% bonds, but when stocks were "on sale" and their portfolio was closer to 50/50, it was nearly impossible to get them to agree to sell some of their income positions to increase equity exposure. That challenge was the main driver

behind my decision to become a portfolio manager – with discretion over client accounts. It allowed me to do what the clients agreed to (in principle) without being constrained by their own fear and greed (in practice).

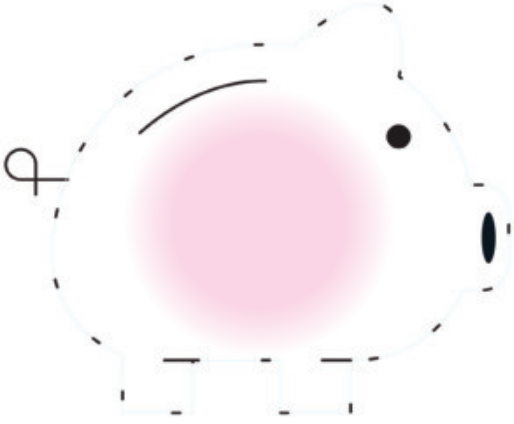
Q: What's one piece of financial advice you received that has stuck with you, and how has it shaped your approach to money management?

A: Rather than advice, I'll point to a piece of research. Nearly a decade ago, an academic paper was released called "The Misguided Beliefs of Financial Advisors". It showed that Canadian mutual fund registrants consistently chased past performance, paid virtually no attention to product costs, and recommended concentrated portfolios – all things that are conspicuously incorrect. Worse, evidence showed that they did this even with their own accounts and even after they had retired from the business. The evidence is incontrovertible that advisors do the wrong things because they believe them to be correct! As such, the industry (especially on the mutual fund side) has a long way to go, as it seems registrants are more persuaded by peer pressure and salesmanship than they are by empirical evidence.

Q: Last but not least, if you could have dinner with any historical figure, who would it be?

A: My three favourite bands are Queen, The Tragically Hip and the Beatles. As much as I would love to have dinner with Gord Downie or Freddie Mercury, I would most appreciate a dinner with John Lennon – the greatest rock star there ever was. Lennon was a man who consistently spoke his mind. Although he had his faults (he was a lousy husband to Cynthia and father to Julian), he was inspirational to me as a guy who called things as he saw them. He didn't really care what anyone thought along the way. I aspire to do the same in my life.

You could play connect the dots...



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Portfolio *Confidential*

Barbara Stewart

Like many Canadians, I am doing my best to boycott U.S. products given current tense relations. I would also like to diversify my investments outside of the U.S., and I wonder what my global alternatives are for investments in fine wine.

Last year I had the opportunity to interview Callum Woodcock, the founder of WineFi for a commissioned research paper on the topic of "Women & Alts: A Global Perspective". I thought he would be the perfect person to comment on alternatives for investments in fine wine. His response:

The good news is, you have plenty of options to choose from! Whilst the popularity of Napa Valley wines as investments has risen considerably in recent years, California is far from the only "investment-grade" wine region. At WineFi, we consider six other regions as producing wines likely to appreciate. These are Bordeaux, Burgundy, Champagne and the Rhône in France, and Tuscany and Piedmont in Italy.

For many years, Bordeaux was considered the premier wine investment region, but an oversupply of high-quality vintages, and significant mispricing by Bordelais producers has led to a stagnant market since 2011—with wines returning just 4% per annum, on average. Burgundy and Champagne stand out as two regions that have experienced tremendous growth over the past decade. Fine wine from Burgundy is often produced in vanishingly small quantities, leading to competition amongst consumers and investors alike for access to the most sought-after producers—think Domaine de la Romanée-Conti with 500 cases in a vintage, for example! Equally, Champagne is unique, in that it is closely linked to celebration in the minds of consumers. It is difficult to imagine going from drinking Krug, Dom Perignon or Salon to prosecco or cava...

For investors looking to capitalise on new trends, the so-called "Barolo Boom" in Piedmont is attracting significant interest from investors and speculators alike. This has meant that Piedmont, more than any other region, has weathered the recent downturn in the markets.

If this is intriguing to readers, check out the WineFi platform [https://www.winefi.co/]. As always, I am not endorsing any particular investments but simply providing interesting options for your consideration. WineFi offers a data-driven approach to fine wine investment, combining market-leading quantitative analysis with the multi-decade expertise of their veteran investment committee to select, source and manage portfolios of fine wine. Backed by Coterie Holdings, one of the most prestigious fine wine groups, WineFi offers solutions to invest in wine from as little as £3,000 ($5,500 CAD).

It is not necessary to be an accredited investor to invest via this platform—fine wine is not a regulated asset class, and neither is WineFi's syndicate structure.

What are your top three favourite investments and why?

My top three favourite investments are private equity, non-primary residence real estate and exchange-traded funds (ETFs). I like private equity for the opportunity to make higher returns! A 2024 study by the Chartered Alternative Investment Analyst Association (CAIA) found private equity returns were 4.8% per year

higher than public market returns between 2000 and 2023[1].

During the pandemic, my husband and I invested in a small apartment in northern Provence. We are avid hikers and have been renting houses in the area every summer for the last decade or so. Buying a place allowed us to mix investing with personal enjoyment. Plus, given how much we're saving on summer rentals, it will be fully covered by 2030!

ETFs are the mainstay of my portfolio for a couple of reasons. First, I like the low-fee passive way to participate in market returns, and I also like having fast and easy access to specialty sectors quickly, such as wine, art, or high tech.

In the January edition of *Canadian MoneySaver*, someone asked you "Are there any undiscovered ways to invest in generative AI?" and your short answer was basically "No…the markets are efficient and pretty much everything that would benefit from generative AI tailwinds is already up a lot." What about the recent Trump tariffs and so on…is that perfectly priced into stock prices, or are there still some interesting angles?

I think there may be some possible market inefficiencies, and therefore an opportunity to invest and make money. I spend a lot of time on the road, not just in North America but in Asia, Europe, and the Middle East. And I notice that the U.S. stock market is generally reacting only to the first-order impact of tariffs. When it looks like the Trump Administration is going to apply the tariffs, investors are discounting (or applying a risk premium) the direct impact of those tariffs, and possible direct impacts on specific sectors, interest rates, the U.S. dollar, and the possibility of economic weakness or even a global recession. Then, when President Trump cancels or postpones the tariffs, they remove that discount or risk premium, and everything goes back up to where it started, more or less.

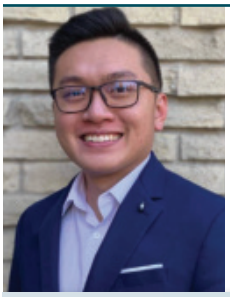
But it seems to me that investors are not, or at least not yet, thinking about more permanent or second-order effects. Many describe tariffs as a form of economic warfare, and it seems likely to me that non-U.S. consumers, businesses and governments will start doing the opposite of a "buy American" policy. They feel like the U.S. has declared war on them, at some level. Most people know that (for example) Europeans are deliberately not buying Teslas… but what if that spread? Avoid Starbucks; buy from local coffee shops. What if Europe decides to build its data centres and its cloud computing infrastructure? Asian countries are already spending billions doing exactly that. I don't expect the big U.S. tech companies will see their revenues collapse, but if they even slow a few percentages, I don't think the market has priced that in.

Only about half of Americans have passports. Many tend to think the world ends at their borders. And I speculate (but could be wrong) that they are failing to appreciate how much the rest of the world has fundamentally lost trust in the U.S. That trust could be rebuilt over time, but that will take years, not months. And in the meantime, U.S. companies may be facing more of a headwind than U.S. investors are thinking.

1 https://caia.org/blog/2024/04/23/long-term-private-equity-performance-2000-2023#:~:text=Private%20asset%20classes%2C%20including%20private,return%20across%20private%20asset%20classes.

Do you have questions about your own investment portfolio?

Consider calling The Rich Thinking® Financial Advice Hotline. This will be a win-win: you get a free 30-minute confidential Zoom chat offering an independent, unbiased perspective on your financial situation with no sales pitch! In exchange. I get to use the anonymized data that will come from these conversations to make my Rich Thinking research even better. Email me to book your Zoom discussion: ***barbara@barbarastewart.ca***



TARIFFS AND THE CANADIAN SECTORS TO HIDE DURING TRADE WAR UNCERTAINTY

MICHAEL HUYNH | INVESTMENT ANALYST | 5i RESEARCH

THE CURRENT STATE OF THE TRADE WARS

Tariffs have been a hot topic for investors since President Trump won the 2024 U.S. election. The situation started to worsen for global trade on April 2, 2025. "Liberation Day", President Trump announced the so-called "reciprocal tariffs" to maintain a balanced trade between the U.S. and its trading partners. Specifically, there is a minimum of 10% tariff base across various nations, and a variable rate, which is as high as 49% and 45% for countries like Cambodia and Vietnam, respectively.

Since then, the global trade war situation has been chaotic. While some countries immediately reached out to the U.S. administration to discuss a fair deal for both sides, other economic superpowers like China, Japan and the European nations have decided to go into "tit-for-tat" type of retaliation. For example, things have escalated meaningfully between China and the U.S. as President Trump raised the total tariff rate on most Chinese goods.

Canada is not an exception, and for the very first time, our largest trading partner planned to impose a tariff of this magnitude on goods and services between the two countries. It is still unclear how this will turn out, which creates tremendous uncertainty for investors, executives and policymakers to adapt.

WHERE CAN INVESTORS HIDE?

Tariffs will raise prices for consumers, which will eventually lead to an increase in inflation. Investors are concerned with how this trade policy could affect the companies' earnings, small businesses and consumers' confidence, as well as the economy as a whole.

More than ever, investors are questioning how they can position themselves defensively in this environment, and looking for companies/sectors that are "bullet-proof" to help them navigate through the volatility of the market.

Tariffs could negatively affect certain industries more than others. We think sectors that focus on serving domestic markets or other international markets (other than the U.S.) could be a good hedge for investors. Here are the sectors along with the Exchange-Traded Funds (ETFs) that give investors exposure to industries we believe are less affected by the trade war:

1. FINANCIALS: INSURANCE

Insurance companies tend to have high exposure to the domestic market or international market ex-U.S. Their business models would be highly resilient in this environment, as these companies are not dependent on importing/exporting physical goods. Some economic slowdown may eventually lead to a change in interest rates which may affect them down the road, but this scenario would not happen anytime soon.

- **Global X Equal Weight Canadian Insurance Index ETF (SAFE)**

The Global X Equal Weight Canadian Insurance Index

ETF (SAFE) provide investors with targeted exposure to the growth potential of market-leading Canadian life and health insurance companies.

SAFE is a well-established ETF which has $3.1 billion in Assets Under Management (AUM) and a Management Expense Ratio (MER) of 0.35%. SAFE's portfolio is mainly concentrated with four key holdings, including Intact Financial Corp (27.6%), Great-West Lifeco (27.5%), Sun Life Financial (22.6%), and Manulife Financial (22.0%). Although the degree of concentration is quite high, we would be comfortable with this allocation as these are the four largest insurance companies in Canada, which have been in business for decades and are considered highly defensive. The ETF also offers a decent twelve-month trailing yield of 3.1% that is paid out monthly.

2. GOLD

Precious metals like gold are global commodities. Most investors consider gold as an investment and a store of value. In general, gold producers operate their businesses in the domestic and international markets (aside from the U.S.) with global demand. Therefore, there is minimal exposure to trade wars. In addition, a highly uncertain environment tends to be favourable for gold prices as investors look for a safe haven.

■ iShares S&P/TSX Global Gold Index ETF (XUT)

The iShares S&P/TSX Global Gold Index ETF (XUT) is a Canadian-focused ETF that provides investors with exposure to global gold producers. XUT currently has an AUM of $2.3 billion and a MER of 0.61%. XUT currently offers a twelve-month trailing yield of 0.63%, distributable on a semi-annual basis.

XUT currently has 44 holdings, and the portfolio is diversified across gold producers with deposits located in various geographies. Specifically, some of the holdings in the portfolio consist of Newmont (NEW) at 15.9%, Agnico Eagle Mines (AEM) at 15.5%, Wheaton Precious Metals (WPM) at 9.6%, Barrick Gold (ABX) at 8.8%, and Franco Nevada (FNV) at 8.3%.

3. REAL ESTATE

Real estate demonstrates some characteristics that are attractive to investors, especially income-seeking investors, including predictability, inflation-hedged, and scarcity. Although the weak consumer spending environment could lead to a soft real estate market, the attractiveness of the industry is predominantly due to the predictable rental income.

BMO Equal Weight REITs Index ETF (ZRE)

The BMO Equal Weight REITs Index ETF (ZRE) is designed for investors who are looking for growth in the real estate market. The fund's holdings include under-the-radar, domestic-focused Real Estate Investment Trust (REIT) names such as Chartwell Retirement Residences (CSH.UN) at 5.7%, Choice Properties REIT (CHP.UN) at 5.2%, Crombie REIT (CRR.UN) at 5.1%, CT REIT (CRT.UN) at 5.0% and Interrent REIT (IIP.UN) at 5.0%.

ZRE manages an AUM of around $537 million, charges an MER of 0.61%, and provides an average dividend yield of 5.3% with a monthly distribution frequency.

4. UTILITIES

Utilities primarily serve consumers and businesses in the domestic market. The industry provides essential products and services that are recession-proof. Therefore, these companies' business models have low exposure to tariffs, even if tariffs may potentially lead to an economic recessions.

■ iShares S&P/TSX Capped Utilities Index ETF (XUT)

The iShares S&P/TSX Capped Utilities Index ETF (XUT) is a Canadian-focused ETF with targeted exposure to Canadian utilities companies. XUT currently has an AUM of $307 million and an expense ratio of 0.61%. XUT currently offers a twelve-month trailing yield of 4.0%, distributed monthly.

XUT currently has 15 holdings, including some of the most well-established utilities with a decent track record of dividend sustainability and growth. Some of the largest holdings in the portfolio consist of: Fortis (FTS) at 23.9%, Emera (EMA) at 13.0%, Brookfield Infrastructure Partners (BIP.UN) at 12.8%, Hydro One (H) at 11.7%, and Atlas Gas (ALA) at 8.6%.

ALL ANSWERS ARE PROVIDED BY 5i RESEARCH.CA

Q: *A dark 2025/2026 scenario would be a mild recession in Canada, and a more serious recession in the U.S., both deepened at some point by a U.S. dollar crisis due to massive deficits and chaotic politics. How should a TFSA be positioned to weather this? Dividend stocks versus bonds? How much of portfolio in gold stocks? How big a cash allocation? What else?*

A: Our research shows that recessions are often quick (lasting 10 months on average) and the market is fairly efficient in pricing a recession in advance.

One of the key pieces to our research that we want to highlight to members is that on average, a recession is officially declared by NBER roughly 9 months after it actually starts. For example, if a recession started in January 2025, historically it would not be announced that a recession started earlier in the year until September 2025. Secondly, the market historically bottoms roughly 11 months after it actually starts. In this example, this would mean the market bottoms around November 2025. Thirdly, recessions typically end right around the time the market bottoms, but yet they are historically not declared to be over until several months after they actually end, by which time the market is likely on its way back to all-time highs, if not already at all-time highs. Again, in this scenario this would mean the recession has ended by November 2025, but it is not announced to be over until sometime in 2026.

Using a real example, in 1990, there was a recession that lasted 8 months. The market bottomed 3 months into the recession, and the recession was only officially declared 10 months after it started. This means that by the time the public officially heard of the recession, it had ended 2 months before, and the market had bottomed 7 months before then.

What all of this means to us is that once any official recession status is declared, it is likely a good time to be buying. Currently, Polymarket has the odds of a US recession in 2025 at 66%, quite high in our view, which we think is being priced into the markets. The average market drawdown for a recession is about 30%, and given we saw a 20% decline in the markets, we feel this means an investor that is expecting a recession to occur which drags the markets even lower should likely position themselves now, but once the official recession is declared to have started, this is when we think the markets are likely on their way back up.

For an investor looking to hedge against any potential downside, we think that gold, low volatility stocks/ETFs, and a cash position that one is comfortable with makes the most sense. Although, despite the potential for a recession to take place given slowing GDP fears, rising unemployment rate, and high interest rates, we are optimistic on the markets and feel that the intermediate and long-term potential is skewed to the upside.

Q: *I recently read an article saying Goldman Sachs reports their base case for US tariff negotiations to include long-standing percents to be remain in place. As in, the rates may or may not change from their present 10%. I am trying to make informed decisions about expected uncertainty and whether strategic portfolio balancing needs to be done. Appreciating we don't have a crystal ball, don't see the sustained tariffs as a likely outcome and would you recommend any responses to higher probability outcomes to this? For example- avoiding high-multiple US stocks emerging markets or others.*

A: We feel that the exorbitantly high tariffs (145%+ on Chinese goods, etc.) are unsustainable, and political leaders have also expressed this. It is becoming clear that extremely high tariffs are unlikely to last long. In our view, similar to 2018, we feel these tariffs will mostly be scaled back, potentially to a scenario where it is only 10% on certain materials/goods (steel, aluminum, etc.). It is also worth noting that in 2019, the market fully recovered from a 20%+ drawdown caused by the US tariffs from 2018, and it wasn't until 2020 that a deal with China was struck on tariffs - ie. by the time official deals are inked, the markets are likely well above all-time highs. As the popular saying goes, 'if it's in the news, it's priced in'. This is why we feel investors today waiting for a China deal to invest in the markets are potentially going to miss out on most of the gains as the market moves back up.

We actually feel that high-growth, cyclical sectors (tech, industrials, discretionary) are likely some of the best performers coming out of this recent drawdown over the coming year(s). It is typically in times of high uncertainty that investors want to position offensively, whereas when the market is at all-time highs, a more defensive tilt can help protect against downside exposure.

Q: *I'm considering shareholder yield as a factor for investing. Can I have your opinion of such a strategy and is there a favourable/preferred % when looking at companies??*

A: A positive shareholder yield can indicate management has a strong focus on capital returns for shareholders. It can also indicate that the company is cash flow positive, and if not, then it is pulling from its cash balance, in which case, the trend will need to be assessed if it is sustainable. Some investors like viewing shareholder yield as it means management is aligned with investors and is disciplined in its capital allocation policy.

We tend to view 3% to 5% as being solid, and over 6% is generally quite strong. Although, breaking down the components of this yield is important - a 6% shareholder yield entirely through dividends may indicate a mature company with minimal growth opportunities left.

You must accompany your inquiry with your Membership Number (ID) and your e-mail to have your question reviewed. Inquiries are responded to directly and the Q&A may be published here later.

TOP FUNDS RANKED BY FIVE-YEAR RETURN AS OF MAY 1, 2025

Fund Name	1 Month Return (mth-end)	3 Month Return (mth-end)	6 Month Return (mth-end)	YTD Return (mth-end)	1 Year Return (mth-end)	3 Year Return (mth-end)	5 Year Return (mth-end)	10 Year Return (mth-end)	15 Year Return (mth-end)	Yield 12 Mo	MER	Mgmt Fee	Total Assets ($Mil)
CANADIAN EQUITY BALANCED													
EdgePoint Cdn Gr & Inc Pt (non-HST) F(N)	-0.44	-1.44	3.04	0.19	10.95	11.77	16.55	8.93	-	2.09	0.79	0.70	3,063.39
EdgePoint Cdn Growth & Income Port Sr F	-0.45	-1.45	3.00	0.16	10.87	11.69	16.47	8.85	9.24	2.02	0.85	0.70	3,063.39
NCM Income Growth Class Series I	0.13	-2.56	-0.41	-2.64	11.09	9.06	16.39	8.22	-	3.76	0.39	-	94.51
EdgePoint Cdn Gr & Inc Pt (non-HST) A(N)	-0.53	-1.69	2.50	-0.16	9.78	10.59	15.33	7.78	-	1.06	1.85	1.70	3,063.39
EdgePoint Cdn Growth & Income Port Sr A	-0.54	-1.73	2.42	-0.21	9.61	10.42	15.15	7.61	7.98	0.91	2.00	1.70	3,063.39
NCM Income Growth Class Series F	0.04	-2.83	-0.97	-3.00	9.86	7.85	15.11	7.03	8.55	3.80	1.50	1.00	94.51
NCM Income Growth Class Series A	-0.02	-3.00	-1.30	-3.22	9.12	7.11	14.33	6.31	7.85	3.83	2.20	1.65	94.51
Empire Life Dividend Balanced Cl F	-0.63	-1.95	1.23	0.24	12.05	11.24	13.93	9.88	-	0.00	2.47	-	489.77
NCM Income Growth Class Series AA	-0.05	-3.08	-1.48	-3.34	8.75	6.73	13.92	5.93	-	4.12	2.56	2.00	94.51
NCM Income Growth Class Series T6	-0.05	-3.10	-1.51	-3.36	8.81	6.67	13.87	-	-	5.93	2.64	2.00	94.51
Invesco Select Balanced I	-1.29	-5.68	-1.07	-2.42	7.77	8.22	13.53	8.26	8.97	2.95	-	-	574.24
imaxx Canadian Fixed Pay O	1.97	1.98	6.37	4.55	17.84	12.49	13.46	-	-	0.82	-	-	217.59
Invesco Select Balanced F	-1.37	-5.88	-1.50	-2.71	6.83	7.28	12.54	7.16	7.78	2.04	0.88	0.70	574.24
Renaissance Diversified Income Cl F	0.24	-0.51	4.06	1.79	18.16	7.32	12.50	6.66	6.72	4.77	0.89	0.90	31.80
Dynamic Power Balanced Series I	-0.09	-7.06	-2.28	-5.61	11.95	12.30	12.49	7.55	7.41	2.84	0.08	0.00	346.47
Pembroke Canadian Balanced	0.16	-3.24	0.46	-2.15	11.34	9.90	12.34	6.87	8.72	2.44	0.40	1.30	27.92
imaxx Canadian Fixed Pay F2	1.87	1.68	5.75	4.14	16.44	11.15	12.13	7.42	8.28	2.87	1.18	1.00	217.59
imaxx Canadian Fixed Pay F5	1.87	1.68	5.75	4.14	16.44	11.15	12.12	-	-	5.45	1.18	1.00	217.59
imaxx Canadian Fixed Pay F0	1.87	1.68	5.75	4.14	16.44	11.15	12.12	-	-	0.76	1.18	1.00	217.59
VPI Canadian Balanced Pool Sr F	-1.63	-5.89	0.05	-2.42	9.32	10.14	11.82	8.32	8.63	0.88	1.02	0.90	1,389.89
CANADA FIXED INCOME BALANCED													
BMO Monthly Dividend Ltd F	-2.30	-1.23	3.87	0.76	12.78	6.46	11.48	4.85	5.06	4.95	0.71	0.60	131.24
BMO Monthly Dividend Ltd Classic	-2.33	-1.34	3.65	0.61	12.29	6.00	11.00	4.40	4.64	4.92	1.14	1.00	131.24
BMO Monthly Dividend Ltd Advisor	-2.39	-1.50	3.31	0.39	11.56	5.30	10.26	3.71	3.95	5.80	1.81	1.60	131.24
RBC Indigo Monthly Income Institutional	-0.42	1.10	2.56	1.10	9.16	5.09	8.60	5.05	5.41	3.23	0.18	-	1,241.59
Leith Wheeler Income Advantage Sr F	-0.41	-0.85	2.06	0.40	10.08	6.18	7.99	-	-	3.00	0.91	0.70	9.99
RBC Managed Payout Solution-Enhanc Sr O	-0.79	-1.89	1.75	-0.05	11.10	7.22	7.94	-	-	3.48	0.06	-	2,543.10
RBC Indigo Monthly Income Premium T	-0.48	0.92	2.18	0.92	8.35	4.32	7.82	-	-	4.41	0.89	0.75	1,241.59
Compass Conservative Balanced Port Sr O	-0.44	-0.71	3.34	1.73	10.62	7.69	7.72	6.29	7.51	3.21	0.02	-	6,266.79
RBC Indigo Monthly Income Manager	-0.52	0.82	1.97	0.82	7.93	3.95	7.43	4.23	-	2.36	0.02	0.63	1,241.59
RBC Indigo Monthly Income Investor T	-0.53	0.78	1.91	0.78	7.76	3.75	7.23	-	-	4.44	1.43	1.25	1,241.59
RBC Managed Payout Solution-Enhanced F	-0.85	-2.07	1.38	-0.29	10.28	6.43	7.14	5.40	5.93	3.51	0.80	0.65	2,543.10
Compass Conservative Balanced Port F1	-0.49	-0.86	3.01	1.52	9.91	7.01	7.03	5.61	-	2.49	0.66	0.60	6,266.79
Compass Conservative Portfolio Series O	-0.33	-0.36	2.99	1.49	9.51	6.60	6.47	5.50	6.34	3.54	0.02	-	1,938.45
Fidelity Balanced Income Priv Pool F5	2.97	3.13	3.38	4.78	9.99	4.37	6.26	3.46	-	-	0.84	0.60	2,740.49
Fidelity Balanced Income Priv Pool F8	2.97	3.13	3.38	4.78	9.99	4.36	6.26	3.45	-	-	0.85	0.60	2,740.49
RBC Indigo Diversified Mod Cnsrv Inv	-1.78	0.24	1.49	0.24	7.46	4.18	6.25	3.57	4.37	1.65	1.66	1.40	303.87
Fidelity Balanced Income Priv Pool F	2.97	3.13	3.38	4.78	9.98	4.35	6.25	3.45	-	-	0.86	0.60	2,740.49
RBC Managed Payout Solution Sr O	-0.60	-1.17	1.99	0.44	10.36	6.39	6.20	-	-	2.97	0.05	-	2,664.66
RBC Managed Payout Solution-Enhanced A	-0.92	-2.27	0.96	-0.56	9.36	5.44	6.11	4.34	4.86	3.53	1.66	1.45	2,543.10
Fidelity Bal Inc Ccy Netrl Priv Pool F8	-0.29	-1.14	1.80	1.01	8.74	5.58	6.06	4.25	4.94	0.47	0.87	0.60	298.50

TOP FUNDS RANKED BY FIVE-YEAR RETURN AS OF MAY 1, 2025

Fund Name	1 Month Return (mth-end)	3 Month Return (mth-end)	6 Month Return (mth-end)	YTD Return (mth-end)	1 Year Return (mth-end)	3 Year Return (mth-end)	5 Year Return (mth-end)	10 Year Return (mth-end)	15 Year Return (mth-end)	Yield 12 Mo	MER	Mgmt Fee	Total Assets ($Mil)
CANADIAN MONEY MARKET													
Cash Management Pool Class W	0.27	0.86	1.93	1.17	4.43	4.39	2.84	2.10	1.87	4.35	-	-	14.74
Ninepoint Cash Management Series F	0.24	0.74	1.64	1.02	4.04	4.34	2.84	2.04	-	4.06	0.07	0.00	435.86
CI High Interest Savings Class O	0.22	0.67	1.53	0.94	3.82	4.24	2.81	-	-	3.83	0.06	0.00	5,067.10
CI High Interest Savings Class P	0.22	0.67	1.52	0.94	3.82	4.23	2.81	-	-	3.83	0.06	0.00	5,067.10
Mackenzie Canadian Money Market PWX	0.26	0.80	1.80	1.12	4.32	4.39	2.79	2.09	-	4.24	-	-	1,557.96
Scotia Money Market M	0.25	0.76	1.77	1.09	4.26	4.29	2.73	2.07	1.81	4.18	0.08	0.03	1,362.80
Counsel Money Market Sr I	0.24	0.72	1.61	1.00	4.00	4.11	2.66	1.87	1.54	3.92	0.16	0.40	11.19
CI High Interest Savings Class F	0.20	0.64	1.45	0.89	3.66	4.07	2.65	-	-	3.67	0.21	0.14	5,067.10
Cash Management Pool Class I	0.27	0.86	1.93	1.17	4.44	3.96	2.59	1.96	1.77	4.35	-	-	14.74
Evolve High Interest Savings Account F	0.21	0.21	0.78	0.21	3.04	3.93	2.58	-	-	3.00	0.17	0.15	3,180.15
FЙRIQUE Short Term Income	0.26	0.60	1.54	0.88	4.02	4.25	2.57	1.85	1.56	4.26	0.25	0.12	173.52
CIBC Money Market Premium Class	0.23	0.74	1.67	1.03	4.06	4.17	2.56	1.81	1.50	3.98	0.35	0.30	3,930.60
Ninepoint Cash Management Series A	0.22	0.68	1.50	0.93	3.75	4.06	2.55	1.78	-	3.68	0.36	0.25	435.86
CI High Interest Savings Class A	0.19	0.61	1.39	0.85	3.55	3.96	2.53	-	-	3.56	0.32	0.24	5,067.10
RBC Premium Money Market Fund F	0.24	0.75	1.68	1.04	4.04	4.10	2.53	1.84	1.54	3.97	0.24	0.20	2,195.98
CI High Interest Savings Class E	0.19	0.61	1.39	0.85	3.54	3.96	2.53	-	-	3.56	0.32	0.24	5,067.10
Beutel Goodman Money Market Class F	0.25	0.77	1.75	1.07	4.21	4.08	2.52	1.81	-	4.13	0.22	0.40	131.07
RBC Canadian Money Market Fund F	0.24	0.75	1.69	1.05	4.05	4.10	2.52	1.68	1.34	3.97	0.24	0.20	7,904.69
TD Premium Money Market - F	0.23	0.73	1.65	1.01	4.01	4.07	2.52	1.80	1.50	3.94	0.27	0.25	2,335.48
PH&N Canadian Money Market Fund F	0.23	0.73	1.64	1.02	3.99	4.10	2.52	1.72	1.38	3.92	0.24	0.20	3,262.56

CHART NOTES

For information on the category definitions, please visit http://www.cifsc.org/en/index.php. Front load funds (Frnt) charge a fee to investors when units are purchased; deferred load funds (Def) charge a fee when units are redeemed. Front loads may be reduced (in percent terms) as the size of the investment increases; deferred loads may decrease as the time elapsed between purchase and redemption lengthens. Some funds have either a front load or a deferred load (FnDf). Others have no load fee (None). Deferred sales charges also known as a back-end load, these deferred charges typically go down each year you hold the fund, until eventually they reach zero. Deferred sales charges give investors an incentive to buy and hold, as well as a way to avoid some sales charges, n Year Return - The average annual compound (annualized) rate of return the fund has performed over the last "n" years. It assumes reinvestment of any dividend or interest income. 1 Year Return (Yr ending DecYY) - An annual return is the fund or portfolio return, for any 12-month period, including reinvested distributions. Tax Efficiency - Calculated by dividing the fund's tax-adjusted return (pre-liquidation) by its pre-tax return, and can only be calculated when both pre-tax returns and tax-adjusted returns are positive. Distribution Frequency - The interval at which regular capital or income dividends are distributed to fund unitholders. Year end Quartiles - The quartiles (1 to 4) give the individual fund its position relative to all others in the fund type category. For example, if the fund's quartile value is "1" for the Dec 2010 yearend, this means the fund's rate of return for the 12 months ending Dec 31. 2010 is in the top 25% of all funds in its fund type category.

Source - Morningstar PalTrak. Morningstar Canada. (800) 531-4725, http://www.morningstar.ca.

TOP US DIVIDENDS - $2B MARKET CAP MINIMUM

Includes special dividends and prior to any recent cuts over the last 12-month period.

Ticker	Name	Market Cap ($)	Proj 12M Dvd Yld (%	Price ($)	Total Return YTD
MSTY US Equity	YIELDMAX MSTR OPTION IS ETF	3.37B	63.75	25.14	28.39
BITO US Equity	PROSHARES BITCOIN ETF-USD	2.34B	31.93	20.47	1.46
IEP US Equity	ICAHN ENTERPRISES LP	4.66B	22.40	8.93	8.61
AGNC US Equity	AGNC INVESTMENT CORP	8.96B	16.38	8.79	0.27
CALM US Equity	CAL-MAINE FOODS INC	4.48B	14.88	92.91	-5.14
NLY US Equity	ANNALY CAPITAL MANAGEMENT IN	11.54B	14.49	19.32	9.21
FSK US Equity	FS KKR CAPITAL CORP	5.54B	14.01	19.98	-4.87
JEPQ US Equity	JPM NASDAQ EQUITY PREMIUM	24.51B	13.93	51.49	-5.06
BITX US Equity	2X BITCOIN STRATEGY ETF	2.51B	13.90	46.75	-7.08
TX US Equity	TERNIUM SA-SPONSORED ADR	6.04B	11.94	30.14	3.65
XYLD US Equity	GLOBAL X S&P 500 COVE CALL E	3.07B	11.77	38.49	-4.79
QYLD US Equity	GLOBAL X NASD 100 COV CALL	8.27B	11.71	16.37	-6.55
SPYI US Equity	NEOS S&P 500 HIGH INCOME ETF	3.27B	11.53	48.04	-1.57
ABR US Equity	ARBOR REALTY TRUST INC	2.23B	11.17	10.74	-19.73
DKL US Equity	DELEK LOGISTICS PARTNERS LP	2.13B	11.17	39.76	-3.51
AMBP US Equity	ARDAGH METAL PACKAGING SA	2.12B	10.96	3.65	25.72
GBDC US Equity	GOLUB CAPITAL BDC INC	3.75B	10.89	14.33	-3.05
JEPI US Equity	JPMORGAN EQUITY PREMIUM INCO	39.15B	10.52	55.66	-0.59
OBDC US Equity	BLUE OWL CAPITAL CORP	7.10B	10.52	14.07	-4.29
BXSL US Equity	BLACKSTONE SECURED LENDING F	6.66B	10.39	29.65	-6.05
BSM US Equity	BLACK STONE MINERALS LP	3.07B	10.32	14.54	2.08
ARLP US Equity	ALLIANCE RESOURCE PARTNERS	3.48B	10.31	27.16	6.03
WES US Equity	WESTERN MIDSTREAM PARTNERS L	13.82B	10.02	36.33	-1.01
STWD US Equity	STARWOOD PROPERTY TRUST INC	6.51B	9.95	19.29	4.27
BXMT US Equity	BLACKSTONE MORTGAGE TRU-CL A	3.28B	9.82	19.15	12.58
PK US Equity	PARK HOTELS & RESORTS INC	2.07B	9.75	10.26	-25.37
WU US Equity	WESTERN UNION CO	3.22B	9.67	9.72	-6.28
WB US Equity	WEIBO CORP-SPON ADR	2.04B	9.58	8.35	-3.22
STR US Equity	SITIO ROYALTIES CORP-A	2.60B	9.44	17.37	-7.56
ARCC US Equity	ARES CAPITAL CORP	14.22B	9.23	20.80	-2.84
DOW US Equity	DOW INC	20.82B	9.20	30.42	-22.80
LYB US Equity	LYONDELLBASELL INDU-CL A	18.32B	9.18	58.38	-20.02
PAA US Equity	PLAINS ALL AMER PIPELINE LP	11.70B	9.14	16.63	1.49
HTGC US Equity	HERCULES CAPITAL INC	3.07B	9.07	17.65	-10.14
WHR US Equity	WHIRLPOOL CORP	4.28B	8.99	77.87	-30.81
TIGO US Equity	MILLICOM INTL CELLULAR S.A.	5.74B	8.96	33.47	43.17
RITM US Equity	RITHM CAPITAL CORP	5.97B	8.87	11.28	6.43
NE US Equity	NOBLE CORP PLC	3.53B	8.84	22.62	-26.36
JOYY US Equity	JOYY INC-ADR	2.12B	8.76	42.24	3.34
PAGP US Equity	PLAINS GP HOLDINGS LP-CL A	3.51B	8.55	17.77	0.51
KNG US Equity	FT VEST S&P 500 DVD ARST TRG	3.65B	8.53	48.70	-0.19
OMF US Equity	ONEMAIN HOLDINGS INC	5.87B	8.43	49.35	-3.54
USAC US Equity	USA COMPRESSION PARTNERS LP	2.93B	8.41	24.96	10.48
TFSL US Equity	TFS FINANCIAL CORP	3.81B	8.37	13.50	9.90
HUN US Equity	HUNTSMAN CORP	2.06B	8.25	12.12	-31.81
UWMC US Equity	UWM HOLDINGS CORP	7.69B	8.20	4.88	-15.46
APLE US Equity	APPLE HOSPITALITY REIT INC	2.79B	8.18	11.74	-21.70
HR US Equity	HEALTHCARE REALTY TRUST INC	5.34B	8.15	15.21	-8.61
STLA US Equity	STELLANTIS NV	27.46B	8.07	9.59	-20.17
EWZ US Equity	ISHARES MSCI BRAZIL ETF	3.79B	8.05	27.12	20.48
AMLP US Equity	ALERIAN MLP ETF	10.17B	8.01	48.41	2.45
ET US Equity	ENERGY TRANSFER LP	57.19B	7.86	16.67	-13.52
AB US Equity	ALLIANCEBERNSTEIN HOLDING LP	4.62B	7.66	41.77	15.89

Canadian MoneySaver SUGGESTED CANADIAN DIVIDEND REINVESTMENT PLANS (DRIPs)

TSX Companies	Symbol	52-Week		Closing Price	Div	Yield	EPS	P/E	Payout Ratio %	5-Yr Dividend Growth
		High	Low							
Agnico Eagle Mines	AEM	175.33	$86.66	$162.03	$2.21	1.36%	$8.08	20	27.30%	12.80%
BCE Inc	BCE	49.13	$28.73	$30.64	$3.99	13.02%	$2.73	11.2	146.10%	4.80%
Bk of Montreal	BMO	151.08	$109.02	$132.09	$6.36	4.81%	$11.38	11.6	55.90%	8.60%
Bk of Nova Scotia	BNS	80.14	$60.68	$68.98	$4.24	6.15%	$6.92	10	61.30%	4.00%
Canadian Tire	CTC.A	169.27	$130.74	$150.88	$7.10	4.71%	$12.56	12	56.50%	11.00%
Cdn Imperial Bk (CIBC)	CM	95.5	$64.02	$86.95	$3.88	4.46%	$7.97	10.9	48.70%	5.60%
Constellation Software	CSU	5040	$3,535.00	$4,968.35	$5.52	0.11%	$131.43	37.8	4.20%	0.00%
Emera	EMA	63.13	$44.13	$62.05	$2.90	4.67%	$3.24	19.1	89.40%	-0.70%
Exchange Income Corp	EIF	59.32	$43.08	$50.66	$2.64	5.21%	$3.68	13.77	71.80%	3.50%
Fortis	FTS	68.38	$52.19	$68.27	$2.46	3.60%	$3.41	20.03	72.20%	5.50%
Hydro One	H	53.11	$38.17	$53.04	$1.26	2.37%	$2.04	25.98	61.60%	5.20%
Imperial Oil	IMO	108.89	$82.98	$92.99	$2.88	3.10%	$7.64	12.16	37.70%	22.90%
Manulife	MFC	46.42	$32.00	$42.25	$1.76	4.17%	$4.12	10.26	42.80%	9.70%
National Bank	NA	141.15	$105.43	$121.08	$4.56	3.77%	$10.45	11.59	43.60%	10.20%
Royal Bank	RY	180.45	$132.88	$165.47	$5.92	3.58%	$13.34	12.41	44.40%	6.60%
Sun Life Financial	SLF	88.54	$64.38	$82.15	$3.36	4.09%	$7.20	11.41	46.70%	9.10%
Suncor Energy	SU	58.58	$43.59	$48.69	$2.28	4.68%	$4.54	10.73	50.20%	5.60%
Superior Plus	SPB	9.6	$5.15	$6.92	$0.18	2.60%	$0.40	17.34	45.10%	-4.10%
TD Bank	TD	88.09	$73.22	$88.09	$4.20	4.77%	$7.78	11.33	54.00%	7.10%
Telus	T	23.43	$19.10	$21.22	$1.61	7.58%	$1.01	21.02	159.40%	6.70%
TransCanada Corp	TRP	70.97	$44.55	$69.65	$3.40	4.88%	$3.68	18.91	92.30%	4.30%
WSP Global	WSP	264.87	$201.24	$244.36	$1.50	0.61%	$9.35	26.14	16.00%	0.00%

CHART NOTES - Prices as of May 1, 2025. Source: TD Waterhouse/Bloomberg LP. Stock prices change daily. Check for current prices. These Canadian companies listed on the TSX are our recommended companies a DRIP. With the DRIP, you can reinvest all your dividends to purchase additional shares at no cost. Some DRIPS offer a discount so that additional shares are bought at a discount to the average market price. Some dividends are paid in US dollars and we have adjusted numbers and ratios according to recent exchange rates.

Div. 5yr gr: We have added the five-year dividend growth rate to our chart, information obtained from Bloomberg LP.

Earnings are forward earnings estimates.

Yield = Dividend divided by current price. Payout ratio = dividend divided by earnings per share (EPS). The dividend payout ratio is simply calculated by dividing the company's dividend by its forward (estimated) earnings. If a company with a low payment ratio experiences an earnings decline, it may continue to pay the same dividend. Or, at least, it may weather the downturn without cutting the dividend. A high dividend payout ratio of 100% indicates that the dividend payout is equal or above the company's earnings. Therefore, one should be very vigilant and place the stock on your "watch" list.

Calculation for interest equivalent of dividend yield for eligible shares: (100 - marginal rate for dividends) divided by (100 - marginal tax rate on regular income). For example, an Ontario taxpayer with ordinary income of $65,514 uses: (100 – 11.72) divided by (100 – 31.15) is approximately 1.2822. Therefore, a stock with a Canadian dividend yield of 5.0% has an equivalent interest return of 5.0 x 1.2822, which is approximately 6.41%.

TOP EXCHANGE TRADED FUNDS RANKED BY FIVE-YEAR RETURNS AS OF MAY 1, 2025

Fund Name	Ticker	Mkt Tot Ret 1 Mo (Current) (%)	Mkt Tot Ret 3 Mo (Current) (%)	Mkt Tot Ret 12 Mo (Current) (%)	Mkt Tot Ret 3 Yr (Current) (%)	Mkt Tot Ret 5 Yr (Current) (%)	Mkt Tot Return Since Incept (Current) (%)
BetaPro S&P/TSX Cap Engy 2xDlyBull ETF	NRGU	-26.98	-22.96	-38.02	-7.54	44.24	-22.63
Global X Canadian Oil &GasEqCovCllETF	ENCC	-8.77	-3.73	-0.72	6.50	32.55	-1.99
BetaPro S&P/TSX Cap Fncl 2xDlyBull ETF	CFOU	1.43	-7.88	47.27	14.82	30.17	-
Global X S&P/TSX Capped Energy CorpClETF	HXE	-13.13	-11.66	-16.04	3.59	29.62	-
iShares S&P/TSX Capped Energy ETF	XEG	-12.99	-9.93	-15.85	3.30	29.38	5.85
Global X Big Data & Hrdwr ETF	HBGD	1.41	-17.66	4.23	10.73	27.61	-
BMO Equal Weight Oil & Gas ETF	ZEO	-9.90	-4.65	0.04	7.50	25.43	3.38
Global X Uranium ETF	HURA	3.09	-21.77	-25.09	7.56	25.63	-
BetaPro NASDAQ-100® 2x Daily Bull ETF	QQU	-0.41	-21.71	9.56	16.12	22.36	-
CI Japan Equity ETF Hdg	JAPN	-1.24	-1.97	2.07	22.44	23.42	-
BetaPro S&P/TSX 60 2x Daily Bull ETF	CNDU	-1.34	-7.12	28.44	10.24	22.43	6.84
BetaPro S&P 500® 2x Daily Bull ETF	SPXU	-3.78	-18.40	10.73	11.59	21.10	-
Global X Crude Oil ETF	HUC	-15.87	-16.77	-20.19	-6.05	21.48	-0.65
First Trust NASDAQ Cybersecurity ETF	CIBR	1.26	-6.98	22.96	15.14	21.78	-
iShares Japan Fundamental ETF CADH Comm	CJP	-1.65	-2.16	2.09	20.16	20.32	3.29
Global X Equal Weight Cndn Pplns Idx ETF	PPLN	-3.84	-4.99	4.45	9.76	19.36	-
iShares Equal Weight Banc&Lfco ETF Comm	CEW	-0.11	-1.07	27.66	13.53	19.78	9.57
iShares S&P/TSX Global Base Metals ETF	XBM	-7.00	-10.55	-19.44	-3.57	19.23	1.97
CI Global Financial Sect ETF	FSF	-4.52	-6.39	22.92	14.16	19.91	-
BMO MSCI India Selection Equity Idx ETF	ZID	1.95	1.66	6.50	9.32	18.80	9.33
iShares Global Infrastructure ETF Comm	CIF	-0.44	-3.79	17.52	15.76	18.93	8.14
BMO Equal Weight Glbl BM Hdgd to CAD ETF	ZMT	-0.10	-3.89	-6.78	3.11	18.16	0.26
CI MstarIntlValETF CADHComm	VXM	0.73	6.50	14.04	18.58	18.45	8.46
Harvest Tech Achievers Gr&Inc ETF USD	HTA.U	-0.84	-12.84	3.58	13.66	18.14	-
Global XS&P/TSXCappedFinancialsCorpClETF	HXF	0.35	-2.60	26.05	11.47	17.94	-
CI Mstar CAD Value ETF Comm	FXM	-1.94	-1.47	20.63	8.44	18.00	-
NBI Global Private Equity ETF	NGPE	-5.61	-15.74	9.73	15.40	18.39	14.08
Picton Mahoney Fortified ActV Ex Alt ETF	PFAE	-1.15	-5.68	18.35	11.67	18.59	-
iShares Canadian Value ETF	XCV	-0.15	0.55	20.12	9.12	17.35	7.34
Harvest Tech Achievers Gr&Inc ETF B UnH	HTA.B	-4.44	-14.01	4.72	17.50	18.12	-
Invesco RAFI Canadian ETF	PXC	-0.50	-1.62	17.42	9.01	17.81	9.15
iShares S&P/TSX Capped Financials ETF	XFN	1.37	-2.67	26.15	11.25	17.56	9.83
TD Global Technology Leaders ETF	TEC	-2.30	-15.59	14.63	19.02	17.17	18.75
Global X NASDAQ-100 Index Corp Cl ETF	HXQ.U	0.98	-9.18	11.81	15.33	17.15	-
Global X Eq WeightCanadianBanksCorpClETF	HEWB	2.47	-3.70	20.99	7.94	17.38	-
Desjardins RI Can MF Net-Zero Emissions	DRFC	0.73	-1.44	23.52	12.68	18.01	-
Harvest Tech Achievers Gr&Inc ETF	HTA	-1.04	-12.45	2.85	13.64	16.98	-
BMO Equal Weight Banks ETF	ZEB	2.34	-3.65	20.79	7.99	17.42	10.85
iShares Canadian Fundamental ETF Comm	CRQ	-0.52	-2.27	16.62	8.17	17.37	7.43

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